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THE TECHNICAL AND VOCATIONAL TRAINING ASSISTANCE ACT
OF 1961-67: AN HISTORICAL SURVEY AND DOCUMENTARY
ANALYSIS

BY



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A THESIS

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ABSTRACT

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FACULTY OF GRADUATE STUDIES

The undersigned certify that they have read, and recommend to the Faculty of Graduate Studies for acceptance, a thesis entitled "The Technical and Vocational Training Assistance Act of 1961-67: An Historical Survey and Documentary Analysis" submitted by Robert C. Bryce in partial fulfillment of the requirements for the degree of Doctor of Philosophy.

ABSTRACT

The object of this thesis was to conduct a survey and analysis of the Canadian Technical and Vocational Training Assistance Act of 1961-67. More specifically the thesis was addressed to a general review of federal legislation in vocational training prior to the TVTA Act and to a close analysis of the genesis of the 1961 legislation and of the expenditures incurred under the bill.

Documentary data were obtained through a number of different sources including libraries, personal files, unpublished reports and papers, and correspondence. Personal interviews with many officials concerned with the legislation proved particularly valuable in obtaining data not ordinarily available in written documents. These interviews ranged from discussions with the Prime Minister who held office during the genesis of the Act to various provincial personnel who were familiar with the Act at the provincial level. An analytical framework was developed to give direction to the search for data and assist in the development of understandings concerning the data unearthed in the study.

The TVTA Act came into existence for many reasons rather than as the result of any single major event. It was found that federal activities in vocational education dating back to the early 1900's had established, through

precedent, most of the basic format of the 1961 Act. Important exceptions included "open-ended" clauses which encouraged rapid provincial response but also proved to be a factor in the unanticipated extent of the federal-provincial expenditures under the Act. Final expenditures -- when the last phase-out provision is met -- will reach approximately 2.6 billion dollars. At the initiation of the legislation no one anticipated that any sum near this amount would be spent.

Unfavorable federal experience with conditional grant schemes, such as the TVTA Act, which were of an open-ended, shared-cost nature, were seen as inhibiting future federal use of such programs. Despite these experiences, a recommendation of this thesis was that conditional grants should remain as one of a number of federal means to effect national ends through provincial agencies.

ACKNOWLEDGEMENTS

The writer gratefully acknowledges the assistance and support of the many individuals who contributed to the preparation of this thesis. A particular debt is owed to the thesis committee (Dr. E. Hanson, Dr. G. Mowat, Dr. H. Tichenor) and especially to Dr. E. Hodgson, the writer's advisor, for guidance and assistance throughout the project. Special thanks go to Dr. H. Sparby for his help early in the enterprise. The writer would also like to thank the many federal and provincial officials across Canada who contributed time and data to this study. Their cooperation is sincerely appreciated. Finally, the writer would like to acknowledge in some small way the enduring support he received from his wife and children.

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CHAPTER I

INTRODUCTION AND OVERVIEW OF THE STUDY

I. INTRODUCTION

The reader interested in comparative education may be assured of finding the following developmental patterns common to nations in the twentieth century:

- (1) increasing concern for "education" as an instrument to achieve measures of national interest; and
- (2) continued expansion of the kinds and amounts of educational activities undertaken at public expense.

When these patterns are considered in combination (education as a national interest plus expansion in the types of publicly supported training) the result is often the involvement of a nation's central government not only in general education, but also in the development of technical competence among its youth. Within a unitary system in which various levels of authority exist simply as extensions of the central government, national purposes may -- at least in principle -- be translated reasonably unimpaired into concrete programs. However, within federal systems where two or more levels of government are considered to have a degree of constitutional integrity of their own, direct measures by a central authority may be

impossible. In federal political systems then, the central government may at times use some indirect measures to achieve its purposes. Shared-cost programs have had a long history in Canada in this regard.

Canada, as with other nations, has experienced a growth in the interest held by the national government in technical and vocational education. However, this interest has had to be expressed through indirect measures (such as shared-cost programs) within a federal system in which "education" is generally conceded to be a constitutional prerogative of the provinces. It is against this general background that this study of the Technical and Vocational Training Assistance Act of 1961-67 was initiated.

II. OBJECT OF THE STUDY

The object of the study was to conduct an historical survey and documentary analysis of the Canadian Technical and Vocational Training Assistance Act of 1961-67.¹

Related problems. The primary object of the study was to be achieved through research directed at an examination of the following related problems.

- (1) What was the history of federal-provincial agreements in technical and vocational education prior to 1961?

¹Hereafter throughout the thesis the Technical and Vocational Training Assistance Act is referred to as the TVTA Act.

- (2) What controversies, circumstances, individuals and groups surrounded, or were closely related to the genesis and initiation of the TVTA legislation?
- (3) What expenditures on technical and vocational education were made under the various provisions of the Act?

These three problems are obviously of a general nature requiring considerable delineation. This delineation was undertaken following the development of an analytical framework (the subject of Chapter II).

III. IMPORTANCE OF THE STUDY

The presence of the Federal Government in Canadian education has been well documented.² A large proportion of the federal endeavors could readily be classified as activities which were peripheral to the primary task of educating the youth of a nation or, if directly concerned with the education of young people, were on a limited scale. It is suggested, however, that federal activity in vocational education in the decade of the "sixties" could not be classified as either "peripheral" or "limited".

The TVTA Act came into effect on March 31st, 1961,

²See for example W.N. Toombs' 1966 thesis: "An Analysis of Parliamentary Debates on Federal Participation in Education in Canada 1867-1960." (Reference 5).

and expired six years later in 1967. During these six years over one billion dollars was expended on capital projects alone under the cost-sharing provisions of the Act.³ Preliminary analysis by the author indicated that federal contributions to vocational education during the 1961-67 period far exceeded the combined totals of all previous grants made by the Federal Government in this field since Confederation. The magnitude of the expenditures is indicated by the fact that contributions to Alberta alone during the 1961-67 years reached approximately eighty million dollars (1). This amount was twice that which the Federal Government had allotted to all of Canada for a ten year period under the terms of the agreement immediately preceding the new Act.

The extent of the combined Federal-Provincial commitments under the terms of the TVTA Act led one observer to declare -- in 1965 -- that the entire Canadian educational system was undergoing a major readjustment occasioned in large measure by Federal Government initiatives (4, p. 395). In 1967 the Honorable Raymond Reiersen, Minister of Education for Alberta, commented on the termination of the Act as follows:

While it is difficult to select the most significant event in a year crowded with events, undoubtedly the decision of the Federal Government to terminate the Canadian Technical and

³A full review of expenditures appears in Chapter VI.

Vocational Training Agreement was among the most noteworthy. It was significant because it marks the end of a period which might be characterized as the federal era in vocational education. (Underlining not in the original) (2).

If these observations have validity, then it would seem that the TVTA Act of 1961 was a massive federal tour de force in education which warranted description and analysis. Further, because the administration of education must take place within the broader framework of government, it was felt that a study of Federal-Provincial interaction (as in the case of TVTA Act) would extend the understanding of what is generally called the "governance of education". Thus the study was of legitimate concern to the field of educational administration.

IV. DELIMITATION OF THE STUDY

The study was delimited in regard to: (1) the level of government on which the focus of the study was centered; (2) time; and (3) major aspects of the legislation to be investigated.

Level of government. It was decided that the focus of the study would be on activities at the federal level. While from time to time attention was given to provincial reactions, this was primarily to illustrate or give perspective to events which occurred at the national level of government.

Time restrictions. While essentially the study was concerned with an Act in force from 1961-67, it was felt that to do justice to the subject it was necessary that the legislation be viewed in the light of both preceding and following events. Accordingly, the study encompassed a period beginning with the first federal initiatives in vocational education (early 1900's) and ending in the summer of 1969.

Aspects investigated. The Federal legislation in technical and vocational education as enacted in the 1960-61 session of parliament included a variety of programs. The emphasis of the investigation was upon those provisions of the Act which were directly concerned with the education of youth at the secondary or immediate post-secondary level. Those provisions of the Act which related to the training of adults or the unemployed were given less detailed examination.

V. LIMITATIONS OF THE STUDY

The study required the writer to interview various individuals in Canada and to examine documentary materials well removed from the University of Alberta. The research was supported solely by the writer necessitating some limit to the amount of travel which could be undertaken. In some instances this meant the substitution of correspondence for

a face-to-face interview.⁴

A further limitation which must be considered in examining the results of this study was the fact that the interviews were obtained some two years after the Act had expired. The possibility that events became blurred in the minds of those interviewed must be accepted as a limitation.

VI. LIST OF THE CHAPTERS

The dissertation is comprised of eight chapters as follows:

<u>Chapter</u>	<u>Title</u>
I.	Introduction and Overview of the Study
II.	The Analytical Framework
III.	Delineation of The Study and Methodology for Obtaining Data
IV.	A Review of Federal Involvement in Technical and Vocational Education Prior to 1960
V.	Genesis and Initiation of the TVTA Act
VI.	The TVTA Act in Execution
VII.	The Act Comes to an End
VIII.	Summary, Major Findings, Conclusions and Recommendations

⁴For example, limited funds ruled out a visit to Prince Edward Island. While not essential, it was felt that direct contact with certain officials of that eastern province would have been more profitable than correspondence.

Each Chapter includes "Chapter References" while a Dissertation Bibliography and Appendices Follow Chapter VIII.

REFERENCES -- CHAPTER I

- (1) Alberta Department of Education. Unpublished Data prepared by the Division of Vocational Education and used with the permission of the Director. May, 1968.
- (2) _____. Quotation extracted from an unpublished copy of a paper presented by Mr. Reiersen, 1967.
- (3) Department of Labour (Canada). Annual Report. Ottawa: Queen's Printer. (Each Report is referred to by the year concerned.)
- (4) Goard, Dean H. "Current Development in Canadian Technical and Vocational Education," Phi Delta Kappan. April, 1965. Pp. 395-400.
- (5) Toombs, W.N. "An Analysis of Parliamentary Debates on Federal Financial Participation in Education in Canada." Unpublished Doctoral Dissertation, University of Alberta, 1966.

CHAPTER II

THE ANALYTICAL FRAMEWORK

In this chapter the "analytical framework" used in the study of the TVTA Act is presented. The framework includes various concepts as well as contentions and views (or perspectives) from a number of sources considered useful for an analysis of the Act.

Why should such a framework be necessary? In part the answer lies in the belief that, seen in isolation, the Act of 1961 may be reduced to sets of formulae and figures which have little relevance in themselves. Understandings develop when the scheme is viewed within a framework which permits relationships to be exposed and examined. It is not anticipated, of course, that an analytical framework of the nature developed for an historical and documentary analysis may reveal relationships with the degree of accuracy one might anticipate from a highly theoretical structure developed for the physical sciences.¹ However, an analytical structure was considered essential to this dissertation as a means of developing understandings concerning the data unearthed in the study and as a base from which reasonable speculations or predictions might be

¹Mendeleev's "Periodic Table" may be cited as a familiar example of a theoretical structure in the physical sciences with rare predictive characteristics.

launched. Further a most important function anticipated for the analytical framework was that of providing direction to the research. It was expected that the framework would suggest avenues to be pursued and questions to be asked. For these reasons it was considered necessary to develop an analytical framework before enumerating specific questions designed to elicit answers to the three problems posed in Chapter I.

Content of the framework. The study was concerned with a particular educational grant scheme which arose through political activity within a federal constitution. As a consequence the framework used in the analysis was developed under the following seven headings:

- I. The Federal Concept
- II. Grant Programs in Federations
- III. Grant Classification
- IV. Conditional Grants Within Federations
- V. Federal Grants to Education
- VI. Educational Grants and The Constitution
- VII. A Conceptual Framework for the Analysis of Legislative Change

I. THE FEDERAL CONCEPT

The American College Dictionary defines a federation in the following way:

A political unity, with a central government, which is formed out of a number of states, etc., each of which retains control of its own internal affairs (1, p. 442).

It has been suggested by Birch (4) that the federations of Canada, Australia, and the United States have five common characteristics:

- (1) One national and several regional governments.
- (2) Government is carried on within the framework of a written constitution which may be amended only through special, not normal, processes of legislation.²
- (3) An independent tribunal is present which adjudicates between national and regional governments.
- (4) The division of powers between the national and regional governments is such that each has control over certain sources of revenue so that each, in principle if not in practise, can be financially independent of the other.
- (5) The division of powers is such that control over most of the social services (underlining added) is given, either specifically or as part of the residuary powers, to the regional governments (4, pp. 1-2).

After noting these five common characteristics, Birch examined the development of social legislation and concomitant financial readjustments in Canada, Australia, and the United States and from this study constructed the following definition of federal system as appropriate to these nations:

¹The British acts of parliament which delineated Federal-Provincial (State) powers of Canada and Australia may only in a loose sense be regarded as "constitutions". For example, the whole concept of responsible government nowhere appears in the B.N.A. Act.

A federal system of government is one in which there is a division of power between one general and several regional authorities each of which, in its own sphere, is co-ordinate³ with the other, and each of which acts directly on the people through its own administrative agencies (Ibid., p. 306).

Birch went on further to suggest that the twentieth century evolution of federations has seen the growth of administrative cooperation between central and regional governments -- cooperation promoted by the central authority -- in those areas assigned to the regions but which have grown to have national importance (Ibid.).

Scott, a Canadian economist, has stated that it is implicit in the concept of federal countries that certain functions must be administered by local authorities rather than by central bodies (27, p. 295). A "unitary country" or nation is one which is not divided into sub-units (provinces or states) and whose central government holds ultimate responsibility for all political concerns (Ibid.). The obvious appeal of a federation is that it permits (in theory) sub-units to retain a degree of individuality or autonomy in certain affairs deemed vital to the unit concerned. The preservation of ethnic characteristics may be an example of a "vital" factor. At the same time, in certain matters of national consensus, the participants of

³The term "co-ordinate" as used by Birch suggests that the different levels of government do not exist in complete independence one from another. A degree of harmony and co-ordination is necessary in order that the body politic function in a relatively cohesive manner.

the federation may speak with one voice through a central government.

It follows that a necessary factor in the survival of a federation is that the parties involved must continue to find within their federal boundaries a greater measure of satisfaction than may exist in a set of balkanized, independent states.⁴ A major problem is the difficulty, if not impossibility, of confining the political activities of the governments of a federation within their defined spheres of jurisdiction. This difficulty becomes accentuated as the complexity and interdependency of a society increases. Trudeau⁵ has expressed doubts that classical federalism has ever existed in the sense that a federation had:

... divided its sovereign powers between regional and central governments with such sharpness and adequacy that those governments would have been able to carry on their affairs in complete independence of one another (34, pp. 379-80).

In addition to the extremely difficult task of establishing meaningful divisions of jurisdiction, there exists the equally elusive problem of attempting to "match" constitutional responsibilities with access to the financial

⁴While there is of course no guarantee that federations once formed will not dissolve, their breakdown may encounter considerable resistance. The civil wars of the United States and Nigeria are cases in point.

⁵Pierre Elliot Trudeau made these comments in the same year as the TVTA Act came into being (some seven years before he became Prime Minister of Canada's Federal Government).

means required to meet these responsibilities. The importance of this problem is attested to by Birch who claims that, "The problem of finance is the fundamental problem of federalism" (4, p. xi). The subject of responsibilities versus means in the Canadian federation is reviewed in greater detail later in the chapter.

II. GRANT PROGRAMS IN FEDERATIONS

In this dissertation grants will be regarded as inter-governmental transfers of resources, normally in the form of funds, which were collected within the jurisdiction of the grantor and transferred to another -- usually lower -- level of government. The term "jurisdiction" refers to spheres of political responsibility as defined by a constitution or by agreement and not to geographic regions.

Grant programs appear to be a ubiquitous feature of federations. Indeed, the prospect of receiving economic benefits through grants may prove an especially attractive argument in the decision of a small state to enter a federation. For example, the federal monies which Newfoundland was due to receive on entry to Confederation may have played no little part in that island's decision to become a Canadian province.⁶

⁶In July of 1948, Newfoundland chose to unite with Canada by a vote of 78,323 to 71,334 (for self-government). By the terms of the union Canada agreed to give Newfoundland 42.75 million dollars in an outright cash grant plus about 25 million annually in various social benefits (22, p. 6465).

Reasons for Federal Grant Schemes

An examination of certain basic literature concerned with grant schemes revealed four major arguments common to rationales supporting federal grant programs.⁷ These arguments are summarized as follows:

- (1) Local purchase of "national goods". Federal governments may use grant schemes to encourage subordinate governments to purchase sufficient measures of those goods and services which are deemed to be of national importance but which are not constitutionally the prerogative of the central government to purchase or supply on its own initiative. Example: control of air pollution.
- (2) The ethic of equity. Grant schemes may be used in an attempt to transform into reality the belief that it is the "right" of all federation citizens to have a minimum level of service in certain public fields. Implicit in this view is the contention that rich regions should provide assistance to those areas which lack the resources to meet the minimum standards. Further, the Federal Government is judged as the body best suited to effect the

⁷References (2), (3), (8), (10), (15), (17), (23), (26), and (32).

re-distribution of wealth.

(3) Local responsibilities versus local tax base.

Where constitutional or contractual provisions exist such that the Federal Government has access to a wider tax base within a province than has the Provincial Government itself, grants may be necessary to permit a redress of an imbalance between responsibilities and resources. The restricted tax fields permitted the provinces has, in Canada, been a continuing issue of contention.

(4) Exchange for services rendered. Federal Governments may use grant schemes to pay for services received from subordinate governments. Example: municipal facilities provided to military bases.

General Arguments Against Federal Grant Programs

Among the arguments raised against federal grant programs, two appear virtually without exception. A third argument, while raised less frequently, is often implied in the general commentary which condemns the issuing of grants from central to regional governments. The arguments are:

(1) Fear that federal aid leads to federal control.

Those who advance this argument regard any expansion of central government as contrary to the best interests of a federation.

- (2) Concern that grant schemes result in inefficiencies. Two points are stressed:
(a) subordinate governments may be irresponsible in their use of "free" money; and (b) grants may make possible the continued existence of uneconomical units to the detriment of the nation as a whole.
- (3) Objection to "big government". This third argument reflects a fear that government is becoming too large, too unwieldy, and too paternalistic. Proponents of this view regard federal grant programs as contributing further to the size of an already swollen government bureaucracy.

The arguments noted here are general summations of those commonly given for and against federal grants to subordinate governments. These contentions will receive further examination as the writer considers federal grants designated specifically for education.

III. GRANT CLASSIFICATION

In this section a general grant classification system, used between and among various levels of government is discussed.

Conditional and Unconditional Grants

Essentially, grants may be regarded as either

conditional or unconditional transfers of resources.

Unconditional or block grants, as they are often referred to, are in theory transfers of resources under circumstances in which the recipient is under no obligation as to their expenditure. Conditional grants, however, are those whose pattern of expenditure is required to correspond to the expectations of the grantor. The degree of correspondence may vary widely, but the implication of a measure of direction is always present in a conditional grant. Benson uses the term "grants-in-aid" in reference to what has been described here as conditional grants (3, pp. 231-233). Benson has developed a simplified classification system, which, with slight modification, is presented for use in the framework. Conditional grants, or grants-in-aid are categorized in Benson's system as follows: (1) general or specific; (2) equalizing or non-equalizing;⁸ and (3) fixed or variable grants. (Ibid.).

General and specific grants. Both of these categories of grants are conditional in that they are "for" a specified purpose. The distinction is one of degree rather than quality. The former (general grants) are directed towards a relatively broad area such as "education" with the onus on the recipient to allot resources to the various

⁸It should be noted that "equalizing" is a characteristic which is not unique to conditional grants.

sub-systems and services which may be subsumed under the larger topic. Specific grants, according to Benson, are subventions for a more clearly defined purpose and are "allocated by measure" to such particular entities as "pupil transportation" or "vocational education" (Ibid.). Benson offers two basic arguments in defence of specific educational grants from a senior to a junior level of government. These are: (1) grants may be used to stimulate some particular new activity; and (2) they may take care of certain unusual needs in some areas (3, p. 247).

The arguments against grants of a specific nature may be summarized as follows:

- (1) the grant may become a means of central control over a local activity;
- (2) the grant may be anti-equalizing where specific grants require a percentage or matching contribution by the recipient (this point will be developed later);
- (3) specific grants result in a warping of budgets.

A Canadian's opinion (Smiley) to the effect that central control may be achieved through grant legislation -- in the Canadian context -- is apparent in the following quotation:

... it appears to a layman to be the most superficial sort of quibbling to assert that when parliament appropriates funds in aid of say vocational training or housing, and enacts in some detail the circumstances under which such moneys are to be available, that

parliament is not in fact "legislating" in such fields (30, p. 61).⁹

Equalizing and non-equalizing grants. According to Benson, grants may be equalizing or non-equalizing depending on whether the resources of the recipient area are taken into explicit account in determining the allocation of the grant (3, p. 232). Lees, as a supporter of equalizing grants has stated that in his judgment equity is of paramount importance and should be of over-riding concern in any grant scheme (16, p. 354). Benson considers that both social and fiscal equity are necessary objectives in grant equalization programs (3, pp. 240-41). Social equity refers to a guaranteed minimum level of service as suggested in the phrase "equal educational opportunity" while fiscal equity implies that the relation between individual contribution and the value of public services returned should be the same despite regional differences.¹⁰ Regardless of the type of equity implied, equalization grant programs have a common feature in that a greater amount of funds is directed towards a population with low resources than to a

⁹On the United States scene, Gauerke and Childress state flatly that stimulation grants from one level of government to another are shaping educational policy (11, p. 413).

¹⁰Buchanan is quoted by Benson as describing fiscal equity as simply translating into practice the belief that a dollar of tax should receive a dollar of service regardless of where the payee lives in the state (3, p. 240). Where regional differences are such that similar numbers of tax dollars purchase dissimilar quantities of a particular service, then it is obvious that an inequitable tax situation exists.

similar population with greater resources. Anti-equalization would occur when the reverse situation obtains.

Implicit in the reasoning of those who advocate the use of equalizing grants, whether socially or fiscally oriented, is the ethic that governments should reduce inequities among the citizenry. Scott, however, argues against equalization grants on the basis that they are economically inefficient (27, pp. 294-97). The essence of this argument is that equalization grants provide amenities which, to the detriment of the nation as a whole, permit the continued existence of uneconomical units in a nation.¹¹

Fixed and Variable Grants

Fixed grants are those which allocate a given amount of money per stated unit. A grant of "X" dollars per capita would be considered as a simple example of a fixed grant. Benson includes as "fixed" those grants which require a minimum level of expenditure on the part of the recipient to qualify for the grant (3, p. 233). Once the recipient "qualifies", the amount of grant received bears no relation to any further amount of expenditure on the part of the recipient.

Variable grants, which in North America are usually called percentage or matching grants, are those which are tied to the level of local expenditure. Because of the

¹¹For a rebuttal to Scott's argument, see Buchanan, reference (6).

nature of the TVTA Act of 1961, arguments concerning variable (matching) grants are deemed to be of considerable importance here. Lees claims the following advantages for this type of grant:

- (1) Matching grants are simple and intelligible.
- (2) They are efficient in starting a service and in dealing with new developments in a service.
- (3) They have "equity over time" in that while costs may rise over the years, the proportion of the grant remains the same.
- (4) Matching grants are equitable between recipient authorities to the degree that they reduce absolute differences in the necessary costs of providing services. If, for example, circumstances are such that a unit of service in area "A" costs \$100 and in "B" \$150, a matching grant of 50 per cent reduces the absolute cost differences between "A" and "B" from \$50 to \$25 for that unit.
- (5) Matching grants enable and encourage more progressive authorities to improve standards of service (i.e. more units of service) without undue imposition on local tax rates. (16, pp. 356-57).

Arguments against matching grants are, in Lees' view, twofold:

- (1) They are disequalizing (non-equalizing) since jurisdictions with high resources have the ability to take greater advantage of the inducement to spend given by percentage grants than do jurisdictions with low resources.
- (2) Percentage or matching grants provide insufficient incentive to local attempts at economy in spending. They are responsive to any increase in expenditure whether that increase is necessary or not.¹² As a consequence in order to ensure

¹²Whether or not an expenditure is "necessary" is of course largely a value judgment.

the economical use of central government funds, central departments are "compelled to supervise expenditures in some detail". (Ibid.).

IV. CONDITIONAL GRANTS WITHIN FEDERATIONS

To this point the analytical framework has included a brief review of the federal concept, major arguments for and against federal grants, and a simple classification system for different types of grants. In this section of the framework certain concepts will be presented concerning the use of conditional grants by the central government of a federation to encourage the purchase of "national goods"¹³ by subordinate governments.

Authority in Federations

It is Breton's¹⁴ view that, as far as government structures are concerned, the "best distribution of authority exists in a federation" (5, p. 187). This distribution is "best", however, only when the various levels of government within a federation (federal, provincial, metropolitan and local) purchase those goods appropriate to that particular jurisdictional level. In Breton's opinion governments commonly purchase

¹³National goods, as may be recalled from page 16 are those goods and services bought by governments and deemed to have pertinence to the nation as a whole.

¹⁴Albert Breton is a Canadian economist who has a special interest in grant systems within the Canadian federation.

what he calls "non-private goods". Breton uses the term "non-private good" to mean those goods or services which are purchased by governments but are available in unequal quantity to citizens (Ibid.). A university supported by government funds would be an example of a non-private good because, for reasons such as geography, individual ability, and the like, the university would not in fact be available in "equal quantity" to all.¹⁵ In an ideal federation, according to Breton, public demand for non-private local goods would be met within the jurisdictional competence of local government, metropolitan goods by metropolitan government, and so on. In theory then, Breton sees the best distribution of authority as that which exists within a federation in which the various levels of government purchase those non-private goods which are pertinent to that particular level.

This "ideal" division of authority hinges on the condition that the objective benefits of non-private goods purchased by the various levels of government may be wholly exhausted within the boundaries of the jurisdiction concerned; i.e. that the non-private goods do not have "spill-over" effects. Where in fact the objective benefits

¹⁵ Goods purchased by governments and in theory available in equal quantity to all are commonly referred to as "pure public goods". "Defence" is often cited as approaching this type of good.

from the purchase of non-private goods are not wholly realized within the jurisdictional limits of a certain level of government (spill-overs do exist) then, Breton believes, that particular level of government will fail to purchase an economically optimum amount of such goods (6, p. 182).

The following quotation summarizes Breton's contention:

It is very often said that a government is short-sighted because it does not engage in the purchase of various types of goods; that it does not know its own long-term interests; etc. There may be some truth to this type of reasoning but it should not blind us to the fact that, in the absence of higher level governments with proper authority to implement their decisions, all the benefits and costs of non-private goods are not computed, so that the amount bought is not optimal (Ibid.).

It is suggested that an historical example of Breton's claim that individual states will not purchase an optimum amount of national, non-private goods exists in the circumstances attending the turmoil in the United States from 1777 to 1787. Funds for the fledgling central government of that day could be obtained only at the pleasure of the individual states. Despite the obvious need for an economically sound central government, the Congress of that period was left virtually bankrupt. It was only when the central government was granted taxation rights of its own (and could thus purchase the level of national goods necessary for survival) that, for some

observers, the continued existence of the nation per se was assured (22, pp. 8849-50).

Breton's views are echoed in Scott's claim that, in those instances where communities or provinces produce services which are of benefit to their neighbors, the total produced by the various political divisions may be deficient. This is true, Scott contends, even where identical patterns and quantities of such services exist among the different jurisdictional units (25, p. 243). Using the example of the early American Union again, Scott's argument suggests that while the various states may have supplied similar per capita contributions to federal functions, the total was insufficient to meet national demands.

In support of his position, Scott quotes Tiebout as follows:

... each community stops short of the social optimum level of production, being unconcerned about benefits of its actions which fall outside its boundaries (Ibid.).¹⁶

The Case for Conditional Grants

What measures are needed then to encourage optimal purchase of non-private goods which have spill-over effects? According to Breton, in order to ensure that an optimum overall quantum of resources will be allocated to a good

¹⁶See also Burke in Gauerke and Childress, reference (7), for essentially the same argument.

whose benefits extend beyond the level of government constitutionally entrusted with its purchase, a higher level of government will have to add to the amount set aside by the lower jurisdiction (6, p. 183).

One of the best methods available to the higher level of government to increase the amount spent on a non-private good is to use conditional grants (Ibid.). (Underlining mine).

Breton bases this conclusion on the assumption that only a higher level of government can:

... compute the marginal social utility and the marginal social cost of the benefits that spill over the frontiers of jurisdictions and only that government can equalize them (Ibid.).

Unconditional grants. Breton suggests that, in those circumstances where non-private goods are purchased through non-benefit taxes, unconditional (block) grants are needed in addition to conditional grants.¹⁷ Why should this be so? Breton explains that in those instances where consumer satisfaction (marginal utility) obtained from the purchase of a non-private good does not correspond to the amount of money extracted in non-benefit taxes used to purchase that good, then an economic distortion may exist (6, p. 181).

Consider, for example, the case of a property owner without children who is required to pay taxes for school

¹⁷The proportional income tax is an example of a non-benefit tax in that the value of services received is not the criterion for the amount of tax to be paid.

support (i.e. non-benefit taxes as far as he is immediately concerned). There is obviously a difference here in the amount of satisfaction the property owner receives in paying his taxes on the one hand or, on the other, spending the tax money according to his own interests. Because the spending pattern of the individual in this example does not correspond to his own particular set of spending preferences, then an economic distortion -- in effect an interference with normal supply and demand -- is said to exist. This distortion may occur in government as well as individual spending patterns where external pressures dictate spending patterns. Breton's suggestion is that this economic distortion may be offset through the receipt of unconditional or block grants which may serve to restore the individual's (or government's) preferred pattern of expenditure. However, the use of unconditional grants as a means to reduce the distortion occasioned by the use of non-benefit taxes does not detract from the essence of Breton's argument that only through conditional grants can a higher level of government ensure that a lower jurisdiction will purchase an optimal measure of those goods which have spill-over effects.¹⁸

Breton's ideal type of federal constitution in which

¹⁸ The use of conditional grants by the Federal Government in Canada during the "sixties" was a matter of considerable importance as evidenced by the fact that conditional grants increased from 16 per cent of all distributions to the provinces in 1955 to over 70 per cent in 1965 (21).

a given level of government is directly related to the character of the non-private goods to be purchased (local government to buy local goods, etc.), with conditional grants used to mitigate the spill-over problem is based on the assumption that individual preference for non-private goods may be determined by governments and reflected in their actions. In fact, as Breton points out, governments do not know and have as yet no reliable means to predict such preferences (6, pp. 186-187). Such circumstances invite political activity. As Breton puts it:

One should therefore expect the question of government grants to be the type of question on which the crassest politician can hope to make political capital (Ibid.).

In keeping with Breton's comments a means of examining the political aspects of grant programs is included in the analytical framework.

Opposition to Conditional Grants

The case for conditional grants does not go unchallenged. The Rowell-Sirois report to the Canadian government in 1940 strongly opposed the continued use of conditional grants by the federal government. While the arguments for this position are easily understood within the context of the Canadian setting (aspects of which will be reviewed later in the framework) the quintessential basis for opposition to federal conditional grants was the fear found in many federations, the fear of federal control.

The particularism enjoyed by the Canadian provinces was apparently more important to these authors than were the possible economic benefits to be gained through conditional grant schemes. In the words of the report itself: "Mere importance of a service does not justify its assumption by the Dominion" (30, p. 58).

It should be noted that the Rowell-Sirois position is basically only one value judgment and does not deny in principle the value judgments to be found in Breton's argument for federal conditional grants.

Grant Programs as Continuing Commitments

A point of view which arises frequently in grant system literature is that once initiated, even "temporary" schemes develop into continuing relationships of considerable longevity. Tiedt, in a review of the history of educational grant schemes in the United States concluded that: "Once enacted they become extended and expanded. Ultimately they are depended upon and become permanent" (32, p. 88).¹⁹

Smiley, in reference to what he sees as happening in Canada, cites (among other examples) the pre-1960 federal-provincial vocational training agreements as

¹⁹See also Vaizey who stresses the need for the development of long term strategies before commitment of resources because, in his view, once entered into, financial commitments are difficult to divest. (35, pp. 12-13).

continuing commitments assumed by the Federal Government (29, pp. 62-63). Following this line of thinking it would seem reasonable to suggest that the massive federal support authorized in the TVTA Act of 1961 would create compelling conditions for the continued allocation of federal resources to vocational education beyond the year (1967) originally designated as the official termination of the Act.

V. FEDERAL GRANTS TO EDUCATION

In the preceding section a general point of view concerning conditional grants in federations was enunciated. In this section the concentration will be on the subject of federal grants specifically for education. In recent years the subject of federal aid to education (through grant programs) has received considerable attention in the United States. Some of this commentary, it is suggested might prove useful in an analytical framework designed to review a Canadian grant scheme to vocational education. In addition to the material which may prove pertinent to the Canadian situation, it is also deemed necessary to have some familiarity with the American literature in order to winnow out those concepts which, though appropriate in the context of the United States, do not apply here. The latter measure is undertaken to avoid

the mistake of applying American principles post haste without due regard to their relevance in Canada.

Arguments for Federal Aid

Benson proposes five arguments, in order of general acceptability, which support the concept of federal aid to education in the United States. They are:

- (1) Payment in lieu of taxes. This argument holds that states which supply services to tax-free federal institutions (such as military bases) should receive compensatory grants-in-aid to education.
- (2) Equalization. Only the federal government, according to this line of reasoning, has the capability to redress inequities in the ability of the various states to supply "adequate" educational standards.
- (3) Stimulation. Benson cites opponents of federal aid as traditionally taking an insular view of public goods and of paying insufficient heed to national requirements for certain services, such as education.
- (4) Restoration of equilibrium. Federal aid to education (in the United States) is judged necessary, according to this argument, where a proliferation of federal-state matching grant schemes already exists. The demands of education are said to be at a disadvantage in a situation where federal funds may be obtained through state participation in other public services.
- (5) Tax relief. The claim is made that federal tax instruments, through their breadth and diversity, have the means to a more equitable distribution of tax burden for the support of education. However, as Benson suggests, where the individual states have access to the same fields of taxation, this argument has limited validity (3, pp. 250-254).

It is obvious that the points which Benson cites as favouring federal aid to education correspond to the general arguments for federal grants. Aside from the "restoration of equilibrium" argument, all of Benson's points may be found under the four reasons (enunciated on pages 16-17) which were given as common contentions in support of grants within federations. There is one further point which, though perhaps equally obvious, should be mentioned. Implicit in the "stimulation" argument is the concept that education possesses the characteristics of a "national good". The point has been stated most explicitly by Dr. W.W. Heller who, as chairman of the United States Council of Economic Advisers in 1963, strongly advocated federal investment in education as "... a powerful weapon of greater importance to our national defense than military hardware" (15, p. 261).²⁰

As arguments against federal grants-in-aid to education in the United States, Benson suggest the following in order of general acceptability.

- (1) Fiscal irresponsibility. "Free money" invites extravagance and waste.
- (2) Federal control. The old adage that "he who pays the piper calls the tune".

²⁰For further elaboration of the contention that education may be regarded as of national concern see Conant, p. 2; Poignant, p. 37; and Tiedt, p. 3 (References 9, 23, and 32).

- (3) Present excessive size of the federal government. The constant size legislative body is already overburdened with tasks. The addition of a further duty (educational responsibilities) simply adds a further straw to an already overloaded camel.
- (4) Excessive equalization. Federal grants may reach the point that local initiative for self-improvement may be seriously reduced in the poorer areas while heavy taxation (to support the grant programs) may destroy incentive in the richer regions.
- (5) Overlapping of the federal tax structure. The present federal tax structure of the United States needs revision and until this is done, it would be wise to avoid further loading of the federal system. (3, pp. 254-256).

Again, these reasons correspond to those cited on page 16 as general arguments against federal grants to regional governments. There is no magic then in the classification of a grant as "educational". It may be expected that the same type of pro and con debate which may revolve about national highways will also be engendered by a grant program designed to assist education. While this would appear to be the case in a general sense, it is suggested that it is now both appropriate and necessary to go beyond the general type of argument (which may hold across a number of national boundaries) to examine constitutional aspects which influence federal grant schemes, particularly educational schemes, in Canada.

VI. EDUCATIONAL GRANTS AND THE CONSTITUTION

A brief review of the topics considered to the present point reveals a gradual change of concentration from general considerations to specific concepts. The topics were:

- (1) general concepts concerning federations;
- (2) a theory of federal grants; and
- (3) federal grants to education.

The purpose of this section of the framework is to reduce the focus even further by bringing to light certain general constitutional considerations which bear on federal grants to education within the Canadian Confederation.

Constitutional Views

Smiley has argued that the "Fathers of Confederation" divided legislative authority in accordance with three primary objectives. These were:

- (1) effective military defence;
- (2) the integrated development of a British North America; and
- (3) harmony between French and English speaking citizens. (29, p. 82).

Smiley supported his view with the following quotation from the Tremblay Commission of 1956:

To sum up, the central government was entrusted with the main general, military, administrative and technical services but there was reserved to the provinces all ... that concerned social, school (underlining mine), and municipal organization; everything which touched the human side most nearly and

which most influenced the Canadian citizen's manner of living (Ibid.).

The original division of powers allotted the national concerns of the 1867 era to the federal government, while those interests which were considered essential to the preservation of ethnic particularism were to be under the jurisdiction of the provinces. Section 93 of the British North America Act states in part:

93. In and for each Province the Legislature may exclusively make Laws in relation to Education, subject and according to the following provisions: ... (24, p. 47).

The placing of "Education" under the aegis of the provinces would, according to Smiley's interpretation, be implicit recognition that education in 1867 was valued more for its relevance to the preservation of culture than to any perceived benefit to the national economy.²¹

It may be recalled (page 18) that a common argument cited by those advocating federal aid in the United States was that education was indispensable to the economic well-being of the nation. If it may be granted that the argument has validity for all industrial nations of the present era, it is apparent that the Federal Government of Canada is now in somewhat of a dilemma. Should the Federal

²¹Waines adds further weight to this position through his assertion that it was the intent of the original agreement to place the most financially onerous tasks and responsibilities on the Federal Government. He suggests that there was apparently no suspicion (in 1867) that such tasks as public welfare and education would take on the financial requirements of the present day (36, pp. 304-305).

Government interpret its responsibilities as including the maintenance of the economic welfare of the nation -- and it seems clear that this is the case -- then it is faced with the problem of being constitutionally limited in the use of education as a tool to effect national economic progress.²²

Scott suggests that two extreme possibilities exist in Canada in regard to meeting national objectives:

(1) provincial assumption of national goals; and (2) dominance by the Federal Government (25, p. 285). Between these extremes, it may be suggested, lie any number of possibilities for cooperative agreements between Federal and Provincial Governments.

What then of the situation in which a nominally provincial responsibility (such as education) has evolved through time to have national import? One school of thought, as exemplified by Smiley and the Rowell-Sirois Report would apparently lean toward the first extreme possibility offered by Scott; i.e. the assumption of national goods by the provinces. The Rowell-Sirois report recommended that unconditional grants be given to the provinces in order that they might carry out the

²²It should not be assumed that education is universally regarded in Canada as the inviolable domain of the provinces. La Zerte, for one, argues that there are no constitutional provisions to prevent the Federal Government from giving financial aid to education providing that the provinces alone legislate in the field (33, p. 75).

responsibilities designated them in the constitution (28, pp. 50-52). The constitution itself would appear to be regarded as something immutable. Grants-in-aid to highways, provincial employment offices, and to vocational training were considered by proponents of this school as violations of the BNA Act of 1867 (29, pp. 86-87). In Smiley's words:

The exercise of the federal spending power has resulted in a situation in which the basic understanding of the confederation settlement that, with few exceptions, the federal authorities would not involve themselves in matters with a direct cultural incidence has been undermined (Ibid.).

A different perception of the constitution, one in which the BNA Act is seen as much more flexible in nature, is epitomized in the views expressed by Trudeau. Instead of regarding the division of power between the provinces and the Federal Government as something akin to "Two Solitudes" in which the protagonists remain forever isolated, the Trudeau analysis leads to the claim that intergovernmental cooperation is fundamental and indispensable to the Canadian Confederation (34, p. 381). Further, the venturing of one level of government into the affairs of another is a not untoward occurrence in Canadian history.

The story of Canadian federalism is one of constant intergovernmental exchange and cooperation. It is also a story in part of sometimes subtle, sometimes brazen, and usually tolerated encroachments of one government upon the jurisdiction of another For instance, the federal government has used grants-in-aid to enter resolutely into areas of technical and university education (Trudeau, 34, p. 382).

In the view outlined by Smiley, then, the BNA Act is seen as a permanent agreement which has been "undermined" by federal initiatives. A different view, put forward by Trudeau, is of a constitution in which continuing inter-governmental relationships were both implicit and indispensable from the outset. In addition, Trudeau suggests that the relative degree of political power between the Federal Government and the provinces is by no means immutable and that Canada will:

... oscillate between times of provincial prominence depending upon the needs of the people and the temper of the various politicians. Or -- more likely -- the political future of Canada will lie in the direction of greater centralization in some areas and greater decentralization in others (34, p. 379).

To sum up these differing viewpoints then, it may be anticipated that arguments concerning feder participation in education as a national concern may be met on the one hand with the view epitomized by the Rowell-Sirois Report and elucidated by Smiley, that a rigid division of authority is essential to the maintenance of the all-important provincial particularism. On the other hand there exists the ethic, as noted by Trudeau, that flexibility, cooperation, and even encroachment may be expected as natural outcomes of the Canadian constitutional framework.

Equal Opportunity and Spending Power

It may be recalled that a common argument in the

United States for the entry of federal funds into education was the belief that, by right of birth, citizens of that nation were entitled to a certain minimum level of public services regardless of the particular state in which they lived. As will be noted, this norm would appear to exist in Canada, but, as in the United States, is not without opposition. Smiley criticizes grants-in-aid as devices used by the Federal Government to provide "a more uniform range of public service throughout the nation than would have existed without such action" (30, p. 90). In addition grants-in-aid, Smiley claims, may actually operate in an anti-equalitarian direction:

To induce the wealthier provinces to participate, the scales of federal contributions and the comprehensiveness and rigor of federal controls over provincial performance are often determined by the interests of these provinces (Ibid.).

Smiley's point is that the rich provinces whose wealth is to be shared through national programs all too often are permitted to "call the tune" in return for their cooperation. Thus these programs may serve best those areas which are least in need.

Trudeau has noted that constitutional provisions (which might be expected to impede the ethic of equity) have in the past been given short shrift in the face of popular demand. Whenever an important section of the population feels that it needs something badly enough, Trudeau contends, regardless of the constitution" it is

eventually given to them by one level of government or another" (34, p. 382). What factor or factors determine the level of government which will meet the demands of the populace? Trudeau stresses the importance of financial ability as a determinant in the answer to this question. The broad financial base of the federal government is, Trudeau claims, presently (1961) being construed as "a federal right to decide whether provincial governments are properly exercising any and every right they hold under the constitution" (Ibid.).²³ In this view then, the "power of the purse" is an essential factor in the decision as to which level of government undertakes a particular public function. Constitutional provisions, in this view, would seem as obstacles to be out-manouvered rather than immutable decrees. Also, the winning of constitutional responsibility for a particular public service without adequate fiscal power, would be the hollowest type of victory.

In summation of this section then, an attempt has been made to outline the wide differences which exist in the interpretation of the BNA Act. In addition to the "rigid" versus "flexible" arguments, not has been taken of the influence of both the "ethic of equal opportunity" and of financial ability on the constraints of the constitution.

²³The reason that Trudeau's statements of 1961 are noted here rather than his later views is simply that the TVTA Act was initiated in 1960-61 and thus these comments are "in context".

VII. A CONCEPTUAL FRAMEWORK FOR THE ANALYSIS OF LEGISLATIVE CHANGE

The fact that the legislation in question, the Technical and Vocational Training Assistance Act of 1961, was educational in nature should in no way be interpreted as removing the Act from beyond the political pale. It is the purpose of this final section of the analytical framework to review the conceptual design which was used in the analysis of the initiation of that legislation.

In 1965 Goard surveyed the rapid growth of technical and vocational schools and programs in Canada and declared that the expansion was of such magnitude that the whole range of educational services in Canada would be affected (12, p. 395). In the same year (1965) President Johnson of the United States signed into law the Elementary and Secondary Education Act which, in the view of Philip Meranto, was a major departure in educational policy in that country (20, p. 3). Meranto developed a conceptual framework, based on a systems approach, which he used to identify and analyze the various political factors which led to the passage of the 1965 legislation in the United States. Meranto's conceptual framework is outlined in Figure 1.

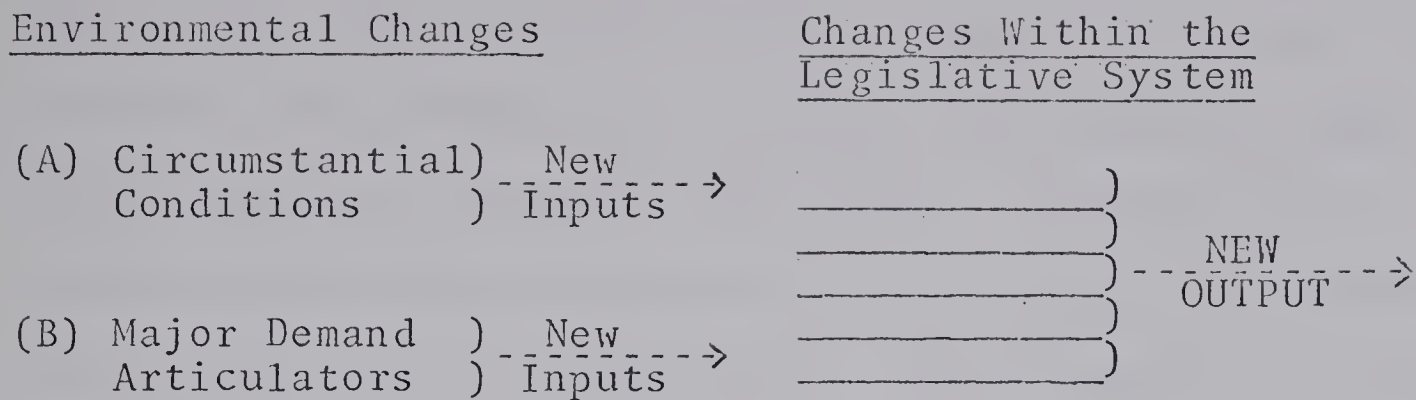


FIGURE 1

A MODEL OF LEGISLATIVE CHANGE
(20, p. 11)

There are two major reasons why Meranto's model is considered appropriate in the analysis of the political factors surrounding the introduction of the TVTA Act of 1961. These are:

(1) The model is designed to analyze the genesis of legislative change. In both the United States and Canada the "change" was not the involvement of the respective Federal Governments in education per se. The point of concern lies with the analysis of a particular federal Act which resulted in federal participation in education on a hitherto unprecedented scale. It is contended that the situations are sufficiently similar and the model sufficiently general to warrant its use in the Canadian scene.

(2) The conceptual framework used by Meranto is anchored in "systems theory" where emphasis is placed on the interrelatedness of environmental and internal factors

(20, p. 8). The approach is essentially descriptive in character and attempts to establish relationships among various parts of the political system. Further, the system concept draws attention to the processes by which outputs are linked to new inputs. These emphases appeared admirably suited to an examination of the circumstances surrounding the initiation of the TVTA Act.

VIII. CHAPTER SUMMARY

In Chapter II a detailed review of the analytical framework used in the study was presented. The chapter began with a broad outline of the federal concept, and then proceeded to narrow in focus to a consideration of grant programs in federations. A basic classification of grant systems was presented followed by an examination of conditional grants. Albert Breton's theory regarding the necessity of such grants within federations was elaborated. The focus then narrowed further to a review of a specific type of federal grant; those directed to education. Certain constitutional considerations, pertinent to Canada's federal system, were noted in regard to federal conditional grants to education. Finally, a conceptual design used in the analysis of legislative change and deemed useful to this study was reviewed.

It was anticipated that one of the uses of an analytical framework would be in providing direction to the

research. This proved to be the case in this study.

In the chapter which follows (Chapter III), the general problems cited in Chapter I are delineated to more specific research topics derived from the analytical framework developed here.

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CHAPTER III

DELINEATION OF THE STUDY AND METHODOLOGY FOR OBTAINING DATA

The object of the study, as defined in Chapter I was to:

... conduct an historical survey and documentary analysis of the Canadian Technical and Vocational Training Assistance Act of 1961-67.

It may be recalled that the object was to be achieved through research concentrated on three related problems. The purpose of this chapter is to delineate certain topics, largely derived from the analytical framework, which would guide the direction of research towards the answering of the questions posed as related problems. Following this, the methodology of the study is discussed.

I. EXPLORATION OF THE RELATED PROBLEMS

Problem No. 1

What was the history of the Federal-Provincial agreements in vocational education prior to 1961?

Exploratory areas:

- (1.1) A review of vocational education grant schemes of the Federal Government prior to 1961.
- (1.2) A review of the arguments and circumstances surrounding the development of previous federal grant programs in vocational education.

- (1.3) A broad survey of the expenditures made under the various agreements of the past.

Problem No. 2

What controversy, circumstances, individuals and parties surrounded, or were closely related to, the federal legislation?

The primary focus of the study was on activities at the federal level. Consequently, this second problem was deemed of considerable importance. However, the problem (as stated above) suggests two somewhat different emphases. On the one hand emphasis is on the identification of those circumstances which were related to the introduction of the legislation while on the other hand emphasis is on the controversy which may have been engendered by its initiation. Therefore, Problem No. 2 was divided into Exploratory Areas "A" and "B" with "A" concerned with circumstance and "B" with controversy.

Exploratory Area "A" (Circumstance):

Note: Meranto's model of legislative change (page 44) provided the basis for the examination of the circumstances related to the Act.

- (2.a.1) Identification and survey of the environmental circumstances in Canada which appeared to lend major impetus to the enactment of the grant legislation.
- (2.a.2) Identification and survey of the major "demand articulators" (pressure groups, committees, reports, and the like) which appeared to have major relevance to the introduction of the Act.

- (2.a.3) Examination of the changes of government in the Parliament of Canada in order to determine those changes (party and personnel) which may have been of significance in the initiation and passage of the Act.

Exploratory Area "B" (Controversy):

- (2.b.1) A review of the arguments -- principally those voiced in Parliament -- which were raised for and against the introduction of the Act. Specifically, were the general arguments, as noted on pages 16 and 17, reflected in the controversy? These arguments may be stated in the form of questions as follows:
- (a) Was vocational education regarded as a "national good" whose purchase was to be encouraged by the central government?
 - (b) Was the ethic of equity (social, fiscal, or both) considered in parliamentary debate?
 - (c) Was the grant scheme offered as a means whereby the provinces could be given sufficient resources to meet their responsibilities in the field of education?
 - (d) Was the program intended as an exchange for services rendered the Federal Government by the provinces?
 - (e) Were fears voiced that the legislation would lead to federal control of education?
 - (f) Were objections raised to the effect that the scheme would be inefficient or that the programs represented intrusion by "big government?"
- (2.b.2) Examination of the for and against arguments in Canada concerning the TVTA Act to determine if the arguments which Benson cited as common to the United States in regard to federal aid to education were duplicated in the parliamentary interchange in Ottawa and in published commentary of the period.

- (2.b.3) A review of parliamentary and other authoritative debate or commentary to determine: (a) the extent to which constitutional arguments were raised; and if present, (b) the tenor of constitutional questioning.
- (2.b.4) An analysis of the arguments, rationales, and controversy related to the Act to determine if Breton's theory regarding the necessity for conditional grants in federations was reflected in or appeared as a factor related to the initiation of the legislation.

Problem No. 3

What expenditures on technical and vocational education were made under the various provisions of the Act?

Exploratory areas:

- (3.1) A brief description of the various provisions of the Act and a classification (using Benson's taxonomy) of the different programs.
- (3.2) A review of the amendments to the Act (if any) and the reasons given for such changes.
- (3.3) Comparisons as to the amount of money each province received between 1961-67 under the various provisions of the Act.
- (3.4) Examination of the contention by Lee (page 24) and by Smiley (page 42) that matching grants-in-aid are non-equalizing in that wealthier units of government can and do take greater advantage of them than less prosperous units.
- (3.5) Examination of the Act in light of the proposition by Tiedt (page 32) that federal grant programs tend to become relatively permanent commitments.

It should be noted that the exploratory areas, as derived from the analytical framework, were regarded as

giving initial direction to the research. As anticipated, some areas were found to have considerably more depth than others and were treated accordingly.

II. METHODOLOGY FOR OBTAINING DATA

Data for this study were gathered from two major sources: (1) documents of various types; and (2) structured interviews.

Documentary Data

A number of sources provided the documentary data used in this dissertation. As might be expected, various libraries provided a considerable proportion of the information obtained.¹ Data were obtained from these libraries through the usual procedures.² The library facilities of the University of Alberta proved an adequate source for general information. However, the following libraries were visited for data of a more specialized type:

Canadian House of Commons (Ottawa)
The Department of Manpower and Immigration (Ottawa)
The Department of Labour (Ottawa)
The Canadian Education Association (Toronto)

Visits to the above noted libraries were preceded by written request for the use of the facilities plus an

¹The amount of material obtained far exceeded the data referred to in this study.

²Including the use of the inter-library loan service.

outline of the study. In all instances library personnel were unhesitatingly helpful and courteous. In certain libraries personnel were specifically assigned to assist in research, working space provided, and, in one instance, unrestricted use of reproduction facilities permitted at no cost to the writer. On occasion, in certain libraries, access to materials not yet authorized for general distribution was granted.

Another source of documentary data proved to materials provided by various officials interviewed in the study. In preparation for the interview many individuals obtained files, paper, reports, or other materials pertinent to the topic and very often permitted the writer the full use of such data. In this manner certain materials not readily available through conventional sources were obtained. On more than one occasion the writer was presented with reports or papers labelled "Confidential" on the understanding that direct quotations or attribution would be avoided. Requests for documentary materials in support of interviews (where deemed appropriate by the interviewer) were generally granted.

Direct correspondence was also used in an attempt to gather data. The results were perhaps the least satisfactory of all. A few moments of face-to-face contact almost invariably yielded more information than the most carefully prepared letter.

Interview Data

The interviews conducted for this study proved to be a far more important source of information than was first contemplated. This was in part due to the "information gaps" which invariably appear to exist between what is done in fact and what is reported in official documents. Also, certain documentary data took on additional meaning when viewed in the light of supplementary information of a more informal nature. Essentially there were three main problems to be resolved in regard to using interviews to gather data. These were:

- (1) Determination of who should be interviewed.
- (2) Construction of the interview.
- (3) Handling of the data obtained.

(1) Determining who should be interviewed. It would seem axiomatic that determining who should be interviewed would follow from a review of the three main problems and their "exploratory areas" as developed in the first section of this chapter. This was essentially the case. However, it was decided to forego attempting to obtain interviews relevant to the history of technical and vocational legislation prior to the TVTA Act and to concentrate instead upon Problems 2 and 3.³ These latter

³This seemed a reasonable decision in light of the fact that persons who might have had first hand information about previous Acts were for the most part retired or deceased.

problems and their exploratory areas had to do with the genesis, changes, execution, and ultimate demise of the Act. Over the course of some months documentary materials (largely from the University of Alberta) were examined and lists made of individuals who, from evidence in the literature, appeared to have some familiarity with these questions. In addition, local officials were interviewed and asked to name those persons whom they felt might make a useful contribution to the study. The writer was fortunate in that the Canadian Education Association "Short Course" for Superintendents of Education throughout the nation was held at Banff, Alberta, in the spring of 1969. In the course of two trips to Banff it was possible to obtain a considerable amount of "field data" plus coast-to-coast opinion as to who the individuals were who figured prominently in the questions under discussion.

As a further means of identifying individuals to interview, various senior federal and provincial officials (such as the Minister of Education in Ontario, the Deputy Minister of Education in Quebec, and the Deputy Minister of the Department of Manpower and Immigration among others) were asked either for interviews or for the names of personnel who might be of assistance. This procedure met with a considerable degree of success.⁴

⁴See Appendix "A" for an example of the results of this procedure.

Having established a basic list, arrangements were then made to conduct the interviews. It was decided that since the decisions at Ottawa should have central attention in the dissertation, interviews would begin with provincial personnel and then narrow to the Ottawa area. Again, interviewees were asked to name persons who might contribute to the study. Cross-checking of names which appeared on the various lists resulted in the preparation of a final list of persons deemed "essential to see". Two separate trips to Ottawa were necessary to complete the interviews in this category. (See Appendix "B").

Construction of the interview. Each interview usually consisted of a common core of questions plus one or more specific questions which prior research had indicated might be answered by the interviewee. In certain minor interviews, questions were restricted to those of a specific nature. An outline of the common core of questions appears in Appendix "C". In order to establish a measure of reliability in any given interview, certain of the core questions were asked twice using different phraseology.

Handling of the data. Except in a few cases⁵ all interviews were tape recorded. Verbatim transcripts were

⁵Some interviewees declined to permit the use of a tape recorder.

then prepared and sent to the interviewees.⁶ The latter were asked to perform three functions before returning the transcripts to the interviewer: (1) revise or elaborate upon the material; (2) indicate those statements which might be attributed to the interviewee and those that might not; and (3) delete any information which was not to be used. All interviews were conducted with the understanding that information would not be attributed to an interviewee without his permission. The large majority of those interviewed held positions in the civil service or in public life and were understandably reluctant to permit direct attribution of candid remarks on sensitive issues. In order, then, to preserve anonymity where so desired and yet include important contributions, a special reference system was developed. In this thesis, therefore, where the term "Category B" appeared in brackets following a quotation (direct or paraphrased) it is to be understood that the particular contributor wished to remain unidentified. However, in order to assure the reader that in fact the statement was made, in every instance where the term is used the writer's advisor (Dr. E.D. Hodgson) has reviewed the appropriate transcript and verified that the particular statement or item of information appeared as indicated.

⁶Certain individuals kindly permitted the use of data from an interview without the formality of a transcript.

In the course of the inquiry the writer became privy to a certain amount of information (often of a delicate or confidential nature) which the interviewee declined to have recorded. Where such information is used in the thesis it is noted as Category "C" information. Because verification of this type of material was impossible, Category "C" was used with considerable discretion.

III. CHAPTER SUMMARY

In Chapter III the analytical framework of Chapter II was used to develop certain exploratory areas required to initiate examination of the three main problems posed for the study. The methodology used in obtaining both documentary and interview data was then discussed.

The next four chapters report the data obtained in the exploration of the problems related to the central purpose of the study. The first problem, it may be recalled, was concerned with an historical review of Federal-Provincial agreements prior to the TVTA Act. The next chapter (Chapter IV) deals with this topic.

CHAPTER IV

A REVIEW OF FEDERAL INVOLVEMENT IN TECHNICAL AND VOCATIONAL EDUCATION PRIOR TO THE TVTA ACT

The purpose of this chapter is to review federal participation in vocational education prior to the passage of the TVTA legislation. It became obvious early in the study that past events played a greater role in "setting the stage" for the TVTA legislation than had been anticipated initially. The attention devoted to the historical review reflects this appreciation.

For purposes which will later become clear this chapter is divided into two sections. Section One covers the period from Confederation to 1936; Section Two is concerned with the years 1937 to 1957 inclusive.

SECTION ONE

FEDERAL INITIATIVES IN VOCATIONAL EDUCATION TO 1936

Technical and vocational education¹ in Canada, in the

¹In the pre-World War II period in Canada the terms "technical" and "vocational" education were used interchangeably as having to do with training for work. However, after that period the term "technical education" commonly referred to what was done in the way of technical training at the level of a technical institution or a university. "Vocational training" (or education) referred to what was done at a less sophisticated level (high schools, trade schools, industry). Michael, an American, notes the

sense of formal institutional training, dates back to the 1880's. In a brief review of literature dealing with technical education in its naescent state, Johnson credits Quebec as having led in its introduction (28, pp. 88-89). The same author notes that by 1900 Ontario and Nova Scotia had established provincial technical schools (Ibid.). The Federal Government initiated indirect support to vocational education through the Agricultural Instruction Act of 1913. More specific measures (to 1936), followed. A tabulation of the legislation is given below.

<u>Year</u>	<u>Legislation</u>
1913	Agricultural Instruction Act
1919	Technical Education Act
1931	Vocational Act (passed but not implemented)
	(15). ²

The first tentative federal ventures towards the support of technical and vocational education must be viewed against the background of Federal-Provincial fiscal arrangements (and concomitant debates) of the period. In 1907, as a culmination to three Federal-Provincial conferences dealing specifically with the question of

distinction in Canada (36, p. 10). It may be noted further that federal publications from the late 1930's and on assiduously avoid the term "education" in preference to the less provocative term "training".

²Glendenning (Reference 18), provides an excellent listing and description of these various Acts. While little attempt is made to delve into the raison d'etre for the legislation or the circumstances of their genesis, Glendenning presents a thorough description of the various bills.

federal subsidies to the provinces, the BNA Act was amended by Laurier's Liberal government to provide a "final and unalterable financial settlement".³ Debate as to the distribution of financial resources between the two levels of government had continued virtually without respite since 1867. A major difficulty faced by the Canadian federation was the imbalance between government responsibilities and fiscal ability.⁴ It was natural that the Laurier government, having obtained amendments to the BNA Act to "correct" the imbalance, would be reluctant to assume responsibilities which might disturb the "unalterable" arrangements. Nevertheless, pressures were building for the Federal Government of the early 1900's to "do something" about vocational education in the nation.

Early Concepts of A National Need for Technical and Vocational Education

There is no profit and no honour in being the hewers of wood and the drawers of water for the skilled nations; We cannot even today pay for the labour of one Parisian art workman for a year, by the products of the labour for a year of any six unskilled workmen engaged in the whole Dominion of Canada (8, p. 2).

³Winston Churchill, then the British Under-Secretary of state successfully prevented the insertion of the words "final and unalterable" (34, p. 115). His objection, validated by time, was that such a term was unsuitable for an Act of Parliament.

⁴See Maxwell (33), Birch (2), and Perry (38) for an analysis of the developments which led to the imbalance which in turn gave rise to Federal-Provincial turmoil over finances.

The above statement was made in 1882 to the Council of Arts and Manufacturers of Quebec and was later referred to by the Federal Department of Labour to support the contention that persons interested in education, including representatives from industry, were appreciative of the need for vocational education in Canada long before it was introduced into the secondary schools (Ibid.). Although provincial governments were moving towards more vocational education,⁵ it would appear that their efforts did not match the need. Private interest in attempting to introduce manual training and domestic science into Canadian schools was exemplified by the action of Sir. William C. MacDonald who at his own expense from 1900 to 1909 fostered the placing of vocational instructors from Britain in various schools throughout Canada⁶ (Ibid., p. 3).

Direct pressure for federal action in vocational education was exerted upon Laurier's government in 1901 when representatives of the Dominion Trades and Labour Council met with the Prime Minister to propose both the formation of a Ministry of Industrial Education and the creation of a Royal Commission to study the needs of

⁵ A provincial night school for training miners opened in Nova Scotia in 1888, while Canada's first day vocational school to operate apart from regular school classes got under-way in Toronto in 1901 (8, p. 3).

⁶ In this enterprise, MacDonald was assisted by Dr. J. W. Robertson who, as chairman of a Royal Commission, was later to play an important role in federal initiatives in technical and vocational education.

technical education in Canada (28, p. 121). Further pressure on the government was applied by their parliamentary opponents. In 1905 the Conservatives declared their support for grants towards "supplementing and extending the work of agricultural education" (33, p. 199).⁷ The opportunity for the Conservatives to match words with action followed shortly. However, before this was to happen the Liberals appointed a Royal Commission on Industrial Training and Technical Education (under the chairmanship of Dr. J.W. Robertson) (28, p. 121). This action was taken by the Liberal government in 1910, one year prior to an election which it was to lose.

The Royal Commission on Industrial Training and Technical Education was appointed under the aegis of the federal Department of Labour which was headed at that time by William Lyon MacKenzie King.⁸ The appointment was preceded in 1909 by a measure of Federal-Provincial interaction initiated by King. In a letter to the provinces advising them that the Federal Government was considering

⁷ Assistance in agricultural education qualifies as a "grey" area in the constitutional field. By virtue of Section 95 of the BNA Act, Agriculture is an area in which concurrent jurisdiction applies (12, p. 31). The Federal Government has long been active in agricultural research and development. Such activities border closely on "education" in its broad sense.

⁸ As is well known, King became one of Canada's foremost politicians. His 22 years as Prime Minister of the nation have yet to be matched in number.

the establishment of a Commission, King presented the following impressions of the proposed body.

- (1) It was to inquire into the needs and present state of technical education in Canada and was to study other nations in comparison.
- (2) The Commission was designed solely as an information gathering body which would make its findings available to the provinces.
- (3) It could be of national service by conducting an enquiry on a scale not possible by individual provinces and in addition avoid duplication of effort.
(39, p. viii).

Provincial replies to King's proposal ranged from enthusiastic support to cautious acceptance.⁹ There was, however, no instance of outright rejection of the suggestion. King's hope that the Commission might avoid provincial duplication of effort was not realized when, in the same year that the Federal Commission was formally established (1910), both Manitoba and Ontario created Commissions to review technical and vocational education (8, pp. 4-5).

⁹The Premier of Saskatchewan responded with the comment that the Federal Government was "the proper authority to proceed in the way proposed" while the Premier of Quebec raised no objection to the federal undertaking on the understanding that the Commission was simply an information gathering body. Anything pertaining to public education, said the Quebec Premier, "whether the subject be special teaching or general teaching, belongs to the provinces exclusively ..." (39, pp. IX-XI).

Report of The Robertson Commission

By virtue of the Conservative victory of 1911, MacKenzie King was a member of the Opposition when the Robertson Commission presented its report in 1913. Members of the Commission had travelled extensively throughout Canada, the United States, Great Britain, and industrialized Europe. Their report consisted of four separate parts in two volumes encompassing some 2,354 pages.¹⁰ The members did not, as some provinces had suggested, restrict their activities to the mere gathering of data. In light of events in vocational education which came to pass in the "fifties" and the "sixties", the report makes fascinating reading. Canadian education was scathingly denounced as suited only to training the university bound person, neglectful of the education of others not so destined, and "bookish to the extreme" (39, pp. 12-15).

The report stressed the need in Canada for the incorporation of vocationally oriented instruction as an integrated part of the curriculum from elementary school onward. Education for work was seen as of vital importance to: (1) individuals, corporations and associations; (2) the local community; (3) the particular province; and (4) the

¹⁰ A copy of this report was reviewed in some depth by the writer.

Dominion government (Ibid., pp. 24-27).

The Commission recommended that those who benefitted from this type of education should assume a degree of financial responsibility. On this basis it followed that the Federal Government should, in the view of the Commission, help finance vocational education.

On the organizational side the Commission recognized the realities of the constitution by granting that industrial training should remain under provincial control and regulation (39, p. 21). Nevertheless, the use of stimulation grants by a senior government to impel action by a lower level authority was unmistakably clear in the Commission's recommendation that federal or provincial funds should be used to "promote such training in those communities unable or unwilling to be so involved" (Ibid., p. 27). Encouragement was given for extensive changes in the elementary schools and to the development of a complete system of vocational education at the secondary level. The need for upgrading the technical skills of those presently employed was anticipated by the Robertson Commission.¹¹ Recommendations were made that the federal authority should support such training.

In regard to financial specifics, the Commission

¹¹This point was made some 54 years prior to the passage of the Adult Occupational Training Act of 1967, which provides (among other things) for 100 per cent support of approved training for employed adults (20, pp. 54-60).

urged the Federal Government to contribute \$3,000,000 annually for ten years to a Dominion Development Fund which would be used to support vocational training throughout the Dominion.

Interestingly enough, the Commission shied away from advocating anything other than moderate support toward provision of buildings for the proposed development of vocational education. Operational costs were, however, to be generously supplemented. In order to encourage the developments which were suggested for elementary and secondary schools, the Federal Government was advised to contribute up to 75 per cent of the costs of instruction (teacher salaries, teaching equipment).

The Commission's emphasis on support of operational as opposed to capital costs was not entirely supported in the legislation which was to follow. However, the concept of shared-financing or shared-costs in educational projects was to be a feature of most federally initiated bills in support of vocational training up to and including the TVTA Act.

One further point concerning the Robertson Report is, in view of subsequent history, worthy of note. While the Commission did suggest a specific period during which the Federal Government was to be financially committed to the support of vocational education, it would appear that this was seen as only a first step towards a more permanent arrangement. The Commission warned against "on again-off

again" operations and urged that forthcoming legislation be framed in some measure of permanence such that those committed to the planning and execution of the new policies would have "some reasonable confidence in the permanence of the undertaking" (39, p. 27).

There was no immediate legislative reaction to the Robertson Commission's Report. When later (1919) the Conservatives did introduce the first federal legislation specifically designated to support vocational education, two events had occurred which appeared to have had considerable influence on the federal venture. One of these events was the experience the Conservative Government gained in an attempt to support training in agriculture; the second was the Great War of 1914-18.

The Agricultural Instruction Act

This Act became law in the same year (1913) that the Robertson Commission handed down its report. It has been suggested that the bill was introduced by the Conservatives as a result of their promises of 1905 (33, pp. 199-200).

The Act was apparently a frustrating experience for the federal authorities. Maxwell, the chronicler of federal subsidies to the provinces, condemned the Act for its lack of both a definite plan and a consistent policy. "Things were started and then dropped: much money was frittered away to no purpose" (Ibid., p. 202). Despite the expenditure of \$10,900,000 over the ten year life of the Act,¹² Maxwell

states that results merited the view that "the Act had few accomplishments to its credit" (Ibid., p. 203).

The major defect of the legislation apparently lay in the unconditional nature of the grants made to the provinces. Federal aims in agricultural training were unspecified (Ibid.). The grants required no qualifying contribution on the part of the provinces. Unified efforts were hoped for through three devices: (1) an annual conference; (2) federal inspection; and (3) a monthly publication. Apparently none of these measures was effective. The provinces spent their "free money" on a wide variety of disparate activities many of which, to the disappointment of federal expectations, were simply extensions of then current provincial activities in agriculture (33, pp. 200-203).¹³ Not unexpectedly, the Liberal government (which had succeeded the Conservatives in 1921) allowed the legislation to expire in 1924.

Vocational Education and the 1914-18 War

The suggestion is made in some of the literature reviewed for this study that the Great War of 1914-18 was simply an intervening factor which delayed federal

¹²The original ten years specified in the bill was extended a year for a phase-out operation (8, p. 9).

¹³This was not the case in every instance. Alberta, for example, used the funds to introduce agricultural schools (Vermilion, Olds) into the province (33, p. 202).

implementation of the 1913 recommendations of the Robertson Commission until 1919 (28; 8, p. 8). It can be argued, however, that the 1914-18 war helped to generate circumstances far more favourable to the introduction of federal legislation directed specifically at vocational education than existed in 1913. Two "Emergency War Measures" taken during this era were important precedents in this regard. One was the introduction of the personal income tax which, along with other fiscal measures, permitted the Federal Government to emerge from the war with a much greater ability to gather revenue than it had entered (11, p. 444). The second measure was the conscription by the Dominion of provincial technical and vocational training institutions for the purpose of providing both servicemen and civilians with the technological skills necessary to support a war effort (30, p. 30). Although the institutions were promptly returned to the provinces after hostilities had ended, the fact remained that the Federal Government had been -- albeit for a short time -- intimately involved in technological training.

There is further evidence that events which occurred during the 1914-18 War had considerable influence on the federal decision of 1919 to support technical education in Canada. According to the Federal Minister of Labour of the day, the impetus for the legislation came about in a "peculiar and somewhat unexpected way" (7, p. 10). The

Minister made no mention of the Robertson Commission, but credited the combined efforts of the Secretary of the Canadian Manufacturers Association and a labour official, "thrown into contact" as a result of serving together on a war effort board for the development of a brief (in support of technical education) which had considerable impact on the federal cabinet (Ibid., pp. 10-11). In part the brief stated:

The advancement of technical education is of such vital concern to the whole country that the burden should not be left entirely to the municipalities and the provinces. The Dominion Government should co-operate by such means as are best calculated to assist the authorities and expand the facilities for this work (6, Vol. XVIII, 1918, p. 1102).

The Technical Education Act

The Conservative government passed the Technical Education Act in 1919. Under its authority the sum of \$10,000,000 was set aside "for the promotion and development of technical or vocational education for persons entering or employed in industrial pursuits"(19). The following were the main provisions of the Act.

- (1) The Act was to be in effect from 1919-1929.
- (2) Each province was to receive a flat grant of \$10,000 with the rest of the money apportioned on the basis of population.
- (3) Provinces were required to "earn" their allotment through 50-50 cost-sharing of approved projects.
- (4) All branches of vocational education were eligible for support except agriculture,

nursing, teacher training, medicine and
other "regular" vocations or professions.
(Ibid.).

In order to take advantage of the legislation, each province was required to enter into a separate Agreement with the Federal Government. It appeared evident that the 1919 Act had been designed to avoid the problems of lack of direction which had plagued the 1913 legislation in Agricultural instruction. The Agreements with the provinces permitted the federal authorities to act in a consultative capacity, inspect work done, audit expenditures, and withhold payment where work was found unsatisfactory (17, p. 83).

The Conservative legislation did not go unchallenged in parliament. Lapointe¹⁴ (Liberal, Quebec) denounced the Act as another attempt by the Federal Government to buy the rights of the provinces through conditional grants (21, 1919, p. 3794). Liberal antagonism to the bill was to have its day. Two years after the passage of the Act, the Liberals were returned to office. It was thus the fate of the Technical Education Act that it should be brought into

¹⁴Lapointe's strident opposition to the 1919 Act was not to be taken lightly. Lapointe was later to become MacKenzie King's "Quebec Lieutenant" and for many years as Minister of Justice enjoyed a position of considerable power in Canadian politics. See Rogers (40) and Hutchison (27) for descriptions of the strong political tie between these men.

existence by a Conservative government and then administered for most of its life under a Liberal regime. The same fate was to befall the TVTA Act of 1961-67. These and other circumstances of a parallel nature encourage close examination of the 1919 Act.

Contrasts with the Recommendations of the Robertson Commission

Certain contrasts between the recommendations of the Robertson Commission and the 1919 legislation may be noted as follows:

(1) Administrative structure. The Royal Commission had proposed an elaborate administrative and organizational structure to establish communication among the three levels of government and with industry. This structure was not directly created under the Act. Instead, a Technical Education Branch¹⁵ was established in the Department of Labour at Ottawa and charged with the administration of the Act. At the request of the provinces, however, several national conferences on technical and vocational education were organized over the course of the life of the legislation (9, p. 9). Provincial annual reports on progress made through the use of federal funds were submitted to the

¹⁵ In later years the term "Education" was dropped from the title of the Branch in favour of the more politically acceptable word "training".

Education Branch and then published for national purview.

Further, the Branch adopted as policy the intent to:

- cultivate a spirit of good will and mutual confidence not only between the department (of Labour) and the provinces, but also between the provinces, to the end that there may be national co-operation in educational effort; and
 - secure through every possible agency the continued sympathy and co-operation of our industrial and labour organizations.
- (9, p. 4).

(2) Purpose of the Act. In the 1919 legislation

Technical education was defined as:

... any form of vocational, technical or industrial education or instruction approved by agreement between the Minister and the Government of any province as being necessary or desirable to aid in promoting industry and the mechanical trades, and to increase the earning capacity, efficiency and productive power of those employed therein (20).

The Robertson Commission interpreted vocational education in much broader terms as preparation for life in a world of work (39, p. 10-13). Federal support was envisaged as assisting the transformation of education in Canada throughout its entire range from elementary schools to post-secondary institutions. The focus of the 1919 legislation, however, was restricted to training which would fit young people directly for employment in industry, or the upgrading of adult workers already employed (9, pp. 43-45 and 33, pp. 207-208).

(3) Financial support. The Robertson Commission had suggested that a Dominion Development Fund should pay up to 75 per cent of the operating costs of approved projects (39, p. 11). Implicit in this recommendation was the understanding that the administrators of the fund would have considerable leeway as to the proportion of costs actually met with federal money. Thus to some extent differences in ability to pay could be alleviated. The Technical Education Act of 1919 permitted no discretionary action in regard to cost-sharing proportions. All provinces, regardless of fiscal ability received federal funds for approved projects on a 50-50 basis up to their total entitlement. It should also be noted that while the Robertson Commission had recommended a ten year investment to a total of \$30,000,000, the 1919 Act allotted one-third of this amount over the same period of time with distribution (except for a flat grant per province of \$10,000) to be according to population. Finally, the 1919 Act permitted provinces to claim one-quarter of their entitlement against capital projects while the emphasis in the Commission's report had been almost entirely on the support of operating costs.

It would seem rather obvious that the form which the 1919 legislation took was politically more acceptable than the recommendations of the Robertson Commission. In allotting funds on a per capita basis and a standard 50-50

share system, the Federal Government avoided the wrath of invidious comparisons. Further, in restricting support to technical education directly related to industrial competence the Conservatives avoided, at least in part, the controversy that would have inevitably accompanied any overt federal attempt to re-structure the "regular" school systems of the provinces.¹⁶

Execution of The Technical Education Act of 1919

It is evident from the literature that the 1919 Act was subject to a set of circumstances hardly propitious to the achievement of its purposes. The fact that it was administered for the greater part of its existence by a government hostile to shared-cost plans¹⁷ was certainly one factor which militated against success. However, there were other restrictive circumstances.

The Act had been introduced in a post-war economy of some strength but in 1920 the economy had taken a downturn such that by the fall of that year the nation was experiencing a depression of some proportion (27, p. 56). In 1921 the Liberals, now under the leadership of MacKenzie

¹⁶Whether federal aims were best served or provincial needs best met by the politically expedient measures taken by the Federal Government is, of course, another question. Given the sensitivity on the subject of provincial rights in Canada, the assistance offered in the 1919 legislation may have been the only approach possible.

¹⁷See Tremblay, Royal Commission of Inquiry on Constitutional Problems (45, p. 101).

King, were elected to power. The new government faced financial difficulties such that grants for agricultural and technical education were apparently regarded as an extravagant use of federal funds (33, p. 247).¹⁸ Although committed to match approved provincial projects, Liberal reluctance to actively pursue the legislation was evident in other aspects. When the bill was passed in 1919 the initial staff supplied to the Technical Education Branch consisted of a Director, an Assistant Director and a few clerical assistants (17, p. 83). In 1921 the Assistant Director, A.W. Crawford,¹⁹ assumed the Directorship on the retirement of the former incumbent. However, no further staff was hired and Crawford was left to attend to the administration of the Act alone (Ibid.). According to one writer this task was clearly impossible and the provinces were in the main "permitted to go their own road" (33, p. 212). In various reports Crawford himself expressed concern that the provinces were attempting to use federal funds for purposes other than those intended in the Act and continued supervision from Ottawa was a necessity.²⁰

¹⁸ King's penchant in the 1920's for a balanced budget has been noted by Hutchison (26 and 27).

¹⁹ Crawford held the Directorship for eight years before leaving government service in 1928.

²⁰ See for example Reference 5, 1925, pp. 70-71; also Reference 5, 1922, p. 68. In the latter report, Crawford accused some provinces of constructing buildings "just to get the grant".

A further obstacle hindering the prosecution of the Act was a continuing lack of qualified instructors. This problem was mentioned in the first report submitted by the Technical Education Branch (5, 1920, p. 107) and was an issue of importance at the National Conferences on Technical Education held in 1919 and 1922 (5, 1922, p. 65). Recommendations from both the Branch and the National Conferences that the Federal Government provide a national institute for training vocational instructors were not acted upon. The problem was apparently particularly acute in the western provinces and was never satisfactorily resolved. The TVTA legislation of 1961-67 -- as will be seen -- had provisions "built in" to meet the need for instructors.

Expenditures Under the 1919 Act

The total federal contribution of \$10,000,000 was to be apportioned over the ten year life of the Act. The initial federal input for the fiscal year ending in 1920²¹ was \$700,000. This amount was increased by \$100,000 per year until the annual allotment reached \$1,100,000 in 1924. This sum then became the fixed annual allotment for the remaining years of the Act (9, p. 43). This procedure was initiated to provide the provinces with time to react to the Act and adjust their budgets to claim their allotments.

²¹The federal fiscal year in Canada begins April 1st and ends on the 31st day of the following March. Thus the fiscal year ending in 1920 was from April 1st, 1919 to March 31st, 1920.

Provinces which failed to earn their allotment in any given year were to be penalized to the extent of having all but 25 per cent of the unused portion lapse (19, Appendix I). Only with ministerial approval could a greater proportion be carried over (Ibid.). Despite this "carrot and the stick" approach, only Ontario had used its entire allotment by the time the Act was due to expire in 1929. Table I presents a view of the state of provincial expenditures as of March 31, 1929 (the date the Act was scheduled to expire).

TABLE I

FEDERAL CONTRIBUTIONS TO THE PROVINCES UNDER THE
TECHNICAL EDUCATION ACT, 1919 TO 1929

Province	Allotment ¹	Federal Payments	Per Cent Unclaimed ²
B.C.	\$ 633,080	\$ 564,516	10.1 %
Alta.	678,524	656,744	3.2
Sask.	847,620	152,565	82.0
Man.	719,746	191,406	73.4
Ont.	3,178,608	3,178,608	00.0
Que.	2,569,655	2,444,353	4.9
N.B.	512,461	405,692	20.8
N.S.	662,113	299,046	54.8
P.E.I.	198,187	71,665	63.8
Total	10,000,000	7,964,535	20.4

¹To nearest whole dollar.

²Calculations based on data from Reference 9, p. 42.

The economically depressed state of provincial budgets figured prominently among those reasons cited for the failure of eight out of nine provinces to earn their entitlement. Other common reasons given in the annual reports of the Technical Education Branch throughout the 1920's were:

- (1) Disinterest in technical and vocational education, or a failure to see the need for such education.
- (2) A shortage of qualified instructors.
- (3) Limitations of the Act which prevented expenditures on felt needs (particularly agricultural training in the prairie provinces).
- (4) Reluctance to embark on shared-cost programs which were scheduled to receive federal support for only a limited period of time.
(5, 1920-22).²²

The Demise of The Technical Education Act of 1919

In 1928 the King government, despite pleas to the contrary from the provinces, labour organizations, the Canadian Manufacturers Association, and various educational authorities, announced that it would allow the Act to expire as scheduled on March 31, 1929 (5, 1928, p. 155). In his last report to the Department of Labour,²³ Director Crawford

²² See, for example, Reference 5, 1925, p. 70.

²³ In this last report Crawford was decidedly blunt in his remarks. The impression was clearly given that, as Director of the Education Branch, he viewed with disfavour the "pull-out" from the 1919 Act.

urged the government to at least make the unexpended balance of the fund available to those provinces which had been unable to "earn" their portion (Ibid.). The Liberal Government was receptive to this general concept and in 1929 brought forward legislation which permitted provinces to claim the remainder of their allotment over the next five years.

Included in the extension was that portion of the allotment which had "lapsed" in penalty for provincial failure to make sufficient annual claims (5, 1929, p. 148). Other extensions were to follow until all provinces had obtained their original allotment. The last province to complete its claim on the funds authorized under the 1919 legislation was Manitoba in 1948.²⁴

Two precedents were established in vocational education shared-cost programs by these extensions. The first was that provincial signators to an Act in which a specific entitlement was pre-determined ultimately received that entitlement. The second, a corollary of the first, was that penalty clauses designed to hasten provincial action in claiming funds proved to be idle threats. Further, a pattern seen in the 1919 bill which was to appear later in similar Acts, was that reasonably close federal supervision was attempted in the early years

²⁴ All other provinces had received their allotment as of the 1938 fiscal year.

of the legislation while towards the end there was considerable relaxing of federal demands. An example of this in the 1919 Act was that in the seventeenth year of the legislation Saskatchewan was finally permitted to claim instruction in agricultural against its allotment (5, 1936, p. 69). The Education Branch itself, after Crawford's departure in 1928, became a mere clearing house for provincial reports with no evidence of leadership activity (5, 1929-36).

Why was the Act allowed to expire? A major factor in the federal decision of 1928 to let the legislation die appears to be King's own antipathy towards shared-cost programs (at least at that period of time) and his punctilious regard for the niceties of the constitution. Statements by King to the House of Commons bear out this contention. In 1909 he had questioned the propriety of parliament discussing vocational education (33, p. 205). Also, it may be recalled how particular King was in first approaching the provinces before resorting to the common Canadian political practice of referring contentious issues to a Royal Commission (pages 70-71). In 1929 King stated in parliament that he thought it a "thoroughly vicious system to have one body raise taxes and another spend the money" (37, p. 121). Speaking against a Conservative measure in 1931 to assist vocational education, King declared that putting pressure on provinces in those areas

where they held jurisdiction was "not to be countenanced" (21, p. 1959 ff). Later, in the same debate he made the following definitive statement as to his position on provincial rights.

... I contend that one of the bases of the confederation act was the idea that the federal and provincial governments would have certain definite fields of service assigned to them, that they should have complete control over those services, that they should raise the moneys necessary and see to their expenditures (21, 1931, p. 4101).

Still Born Legislation

The Conservative Party, as the official opposition in 1928, had voiced opposition to the ending of the Technical Education Act. Restored to office in the general election of 1930 the Conservatives, under the premiership of R.B. Bennet, enacted the Vocational Education Act of 1931. (5, 1932, pp. 7-8). This Act, which authorized an annual appropriation of \$750,000 over a fifteen year period for "promoting and assisting vocational education" was never promulgated (Ibid.). The official reason given by the Department of Labour for its postponement was the economic situation of the day (17, p. 98).

The Conservative action in supressing expenditures during an economic recession was in keeping with what Hutchison describes as the traditional economic policies

of the Bennett government (27, pp. 162-165).²⁵

No further federal initiatives in technical and vocational education were to arise until 1937. The second section of this chapter is concerned with those initiatives.

SECTION TWO

THE FEDERAL GOVERNMENT AND VOCATIONAL EDUCATION

1937 - 1957

This second section of the historical background to the TVTA Act encompasses the period from 1937 to 1957. The year 1937 was selected as the starting point of this second period for these reasons:

- (1) From 1937 to the writing of this dissertation (1969-70) the Federal Government has been involved continuously in one form or another in the financial support of technical and vocational training for Canadians.
- (2) After 1937, the passing of legislation to support vocational education was no longer exclusive to one political party (the Conservatives).
- (3) By 1937 a shift had developed in regard to federal versus provincial responsibility for unemployment. This shift, it will be contended, was to have major significance for federal interest in vocational education.

²⁵Hutchison, a Canadian historian of some note, claimed that Bennett was a lawyer who understood finance "but unhappily not economics" (27, p. 157) and who regarded deficit financing as the wildest sort of heresy (Ibid., pp. 162-165).

Two major sub-topics are dealt with in Section Two. The first concerns those factors which occasioned a different federal perspective in regard to the support of technical and vocational training; the second presents a brief chronicle of the various vocational Acts initiated by the Federal Government in the 1937-1957 period.

Enlargement of Federal Responsibility: Economics, Employment, Training

As in other western nations the role of government in Canada has enlarged from that of Adam Smith's classic concept of "watchdog of laissez-faire" to that of deliberate manipulator of the national economy. Keynes has been credited with giving birth to the now general belief that full employment is not necessarily an inherently normal state of affairs but is rather a special theoretical case subject to manipulation (25, p. 36). Over the years general acceptance has given the stamp of legitimacy to attempts by the central government to "engineer" the economy to assure employment. Indeed, it is difficult to imagine a government of a modern industrial nation abjuring such a responsibility.

The years immediately preceding the "Great Depression" may in a sense be viewed as the final years of the Federal Government's age of economic innocence. In 1928 the cost of central government totalled only \$385,000,000 and there were "no central planners, cyclical

budgets, and hardly an economist in sight" (27, p. 159).

While mention has already been made of Bennett's belief in government thrift and tenacious demand for a balanced budget during the early years of the 1930's, King's Liberal government was no less committed to the traditional view that neither business nor government could spend more than it took in.²⁶

Immediately prior to the election of 1930 the concept of central government responsibility for unemployment was as yet so much a part of the future that King could insist that constitutionally the provinces were solely responsible for its relief (Ibid., p. 162). Further, federal funds for the support of the unemployed could be regarded as a luxury of partisan politics as King insisted in 1930. The provinces, he told parliament, were asking for federal money to relieve the unemployed but many of them were governed provincially by Conservatives and "I would not give a single cent to any Tory government" (28, pp. 235-236).

Both parties, as it developed, were to reassess their position and to instigate fundamental changes destined to have repercussions on many fronts including that of vocational and technical training.

Howenstein states that the economic crisis of the early 1930's occasioned heated discussions in the parliaments

²⁶See Hutchison's The Incredible Canadian (Reference 27), especially Chapter 19, for an accounting of King's early orthodox approach to the economic difficulties of the Depression.

of the world and that traditional faith in the self-corrective forces of the free market was steadily eroded (25, pp. 36-37). Further, mass unemployment also brought about far reaching changes in social and political thinking. Among the most important, according to Howenstein, was the emergence of full employment as a national objective (Ibid., pp. 38-39).

The man in the street employs a simple and direct logic ... a man should have an opportunity to work and support his family. In a democratic industrial society where the worker no longer controls the means of production, he acquires new rights, including the right to work, and the government assumes new obligations, including the obligation to maintain full employment. (Underlining mine). (Ibid.).

Both the Conservative and the Liberal Parties were driven by the exigencies of the time to reassess their concepts of the proper role of government and accept the fact that Canadians in general looked to Ottawa to correct the malaise of poverty and unemployment.²⁷ The Federal-Provincial Conference of 1935 gave provincial support to enlarged federal responsibilities for putting the nation to work. Among other measures, the Conference recommended the development of a federal employment and relief Commission to be vested with extensive powers (45, p. 120). Additional

²⁷ Hutchison's claims that for Bennett the reassessment constituted a volte-face in thinking while for King the collapse of the traditional market place economy was an event he had envisaged in his book "Industry and Humanity" (1911) but which, to his surprise, was happening in his own time (28, p. 253) and (27, Chapters 19 and 20).

support for federal assumption of extended responsibilities in unemployment came from the Royal Commission on Dominion-Provincial Relations (commonly referred to as the Rowell-Sirois Commission). This Commission was established in 1937 to investigate the distribution of function versus revenue between the central government and the provinces (41, Book I, p. 10). The very fact that the Commission was created attested to the view that the distribution of responsibilities versus fiscal capacity was clearly out of balance.²⁸ In its Report handed down in May, 1940, the Commission attempted to provide a blueprint for the clear separation of function and responsibility between the two levels of government. Provincial responsibilities were to be financed in part by the transfer of revenue by way of "adjustment grants" from the richer to the poorer provinces.²⁹ In the demarcation of responsibilities between provincial and central government, there was little or no provision for "cooperative federalism". The use of conditional grants by the Federal Government was not to be condoned. "Dominion responsibility was to end when a

²⁸In announcing the formation of the Commission, King referred to the ample indication of certain fundamental strains and weaknesses arising out of present allocation of financial powers and government responsibilities (21, 1937, p. 922). See also Smiley (Reference 42, p. 40) for comments on the division of Federal-Provincial responsibilities in the 1930's.

²⁹In 1940 the premiers of Ontario, Alberta, and British Columbia refused even to discuss this recommendation and caused Dominion-Provincial review of the Commission's Report to come to a complete deadlock (27, p. 287).

provincial government had been put in a fiscal position to discharge its responsibilities" (34, p. 7). The Commission thus attempted to ease the strains imposed on the constitution by increasing the fiscal capabilities of the provinces and enlarging (in certain areas) the responsibilities of the Federal Government. A most significant recommendation (according to Maxwell) in regard to enlarging federal responsibilities was the assignment of unemployment relief (relief for unemployed employables) to the Dominion (Ibid., p. 4). The assignment of this responsibility to the central government by a Commission which had gone to great lengths to preserve the independence of the provinces³⁰ was a clear indication to Ottawa that federal involvement in measures designed to relieve unemployment was no longer a matter of choice. The question was not "should action be taken", but rather "what action should be taken".³¹

It would appear evident that federal assumption of responsibility for unemployment was to be of vital importance to technical and vocational training in Canada.³²

³⁰See Smiley (Reference 44), for an elaboration of this point.

³¹Manitoba's brief to the Rowell-Sirois Commission was probably the epitome of this view. The brief held that complete responsibility for unemployment should be assumed by the Federal Government (22).

³²This point is discussed in greater detail later in the dissertation.

Further, there is evidence to suggest that vocational training was regarded during the Depression as an essential element in achieving full employment. Weir, presenting a case to the Institute of Public Affairs at Dalhousie in 1939 stressed the need for the institution of a national policy in increasing the employability of youth and, in this regard, the provision of additional facilities for vocational education was "paramount in importance" (46, pp. 159-61). Charlotte Whitton, later to achieve considerable renown as Ottawa's mayor and as a staunch Conservative, admitted the constitutional difficulties of federal participation in training, but held that there was so obvious a relationship between vocational training and gainful occupation that a national need existed for the stimulation of training and the provision of placement and employment services (47, p. 404).

Following the Great Depression certain circumstances developed in which the Federal Government, largely with provincial approval, became directly and extensively involved in vocational and technical training. These circumstances, of course, arose as a result of Canada's entry into World War II in 1939.

World War II and Federal Initiatives in Technical and Vocational Education

While the Great Depression had created a climate for the enlargement of federal responsibilities and the Rowell-

Sirois Commission had, to a limited extent, approved of this enlargement, the exigencies of the Second World War were such that the Federal Government undertook vastly increased responsibilities in many areas including unprecedented participation in technical and vocational training.³³ This enlargement of responsibilities took place without benefit of constitutional change or serious opposition from the provinces.³⁴ The means used was the War Measures Act which was introduced to "... allow the Federal Cabinet to take virtually any action it decided was necessary to the prosecution of the conflict" (42, p. 32). As will be noted in the section to follow, the government became deeply involved in technical training. However, it was not simply the experience of participation itself which was to be of continued importance to federal initiatives in developing the technical competence of Canadians. The gathering together of expert managerial personnel charged with meeting national needs in technical training was, it is suggested, a further factor to be considered in accounting for federal initiatives during both the war and post-war period.

³³The extent of federal participation is reviewed in the next section of this Chapter. The Tremblay Commission cited the Depression and the Second World War as the basis of the "Federal Imperialism" which changed the distribution of Federal-Provincial responsibilities during the course of the present century (45, pp. 123-128).

³⁴Premier Duplessis of Quebec made "federal encroachment" in support of the World War II a central issue in the provincial election of 1939 and was soundly defeated (42, p. 33 and 27, pp. 261-270).

Both Smiley and Hutchison agree that one of the results of the demands of the war effort upon the central government was the creation of a cadre of management personnel at Ottawa which possessed a degree of expertise unmatched at the provincial level (42, pp. 39-40; 27, pp. 266-268). It would be logical to assume that groups so formed would tend to have a certain organizational momentum of their own. The post-war training of veterans would appear, in retrospect, to reflect this factor.

Employment: A Permanent Federal Responsibility

It became clear in the mid 1940's that the central government had assumed permanent responsibility for employment levels in the nation. In 1943 the Liberal Federation passed a series of resolutions (approved in advance by Prime Minister King) which, among other social programs, committed the state to provide employment for those who wished to work (27, pp. 328-329). In April of 1945, C.D. Howe tabled in parliament the government's White Paper on Post-War Reconstruction. Four months later (August) the same paper was presented to the Federal-Provincial Conference on Reconstruction. According to historians of the period, this paper irrevocably committed the Federal Government to cyclical budgeting, compensatory spending to cure depression, and the use of "state financial power to supplement the market mechanism and maintain full employment"

(Ibid., p. 407).³⁵ This was not a platform of one party alone but:

It was a fixed and unalterable policy of the Canadian nation, acceptable by all political parties and by a public which had hardly begun to grasp it (Ibid.).

In regard to technical and vocational training, the importance of the federal decision to accept responsibility for maintaining full employment is obviously dependent upon the relationship which may be seen to exist between employment and training. In the chapter which follows (Chapter V) this relationship is discussed in some detail. For the final part of this historical review of federal involvement in technical education, an overview of the legislation of 1937 to 1957 is presented.

A Chronicle of Federal Legislation in Technical and Vocational Education 1937-1957

Four major Acts were initiated in the 1937-57 period.³⁶

These were:

- (1) 1937 The Agricultural and Unemployment Relief Act (Youth Training Program)
- (2) 1939 Youth Training Act

³⁵ See also Smiley (Reference 42, p. 35) who suggests that the White Paper provided a framework of thought and policy which extended into the 1960's.

³⁶ Most of the data regarding these Acts were obtained from the Annual Reports of the Federal Department of Labour and other publications of that Department.

(3) 1941 War Emergency Training Agreement

(4) 1942 The Vocational Training Coordination Act

An Act entitled the Agricultural and Unemployment Relief Act was passed in the federal parliament in 1937. Concern for the re-education and employment of young people was evidenced by certain federal agencies³⁷ which led to the voting of \$1,000,000 for a "Youth Training Program" designed to function under the provisions of the more general Relief Act (3, p. 110, and 5, 1939, p. 76). Initial arrangements were on somewhat of an informal basis. Regular agreements were not signed until mid-1938 (5, 1939, p. 72). All provincial projects required federal approval to qualify for 50-50 cost-sharing. The amount of money received in total by a province was not determined on a per capita basis but on the number of projects approved. Programs were directed at young people (16 to 30) in "necessitous circumstances" and were related to local employment needs (5, 1939, pp. 72-73).

The Youth Training Act of 1939. The various training programs initiated under the aegis of the general relief bill of 1937 became established in separate and distinct legislation in 1939 as the Youth Training Act. An annual appropriation of \$1,500,000 was authorized and previous

³⁷The National Employment Commission, the Purvis Commission (5, 1938).

agreements with the provinces were continued on substantially the same bases. Distribution of funds among the provinces was made by the Governor General in Council (i.e. the Federal Cabinet) on a 50-50 shared cost basis but not necessarily in proportion to the provincial population (10, pp. 25-26). After Canada entered the Second World War (September 10th, 1939), the Youth Training Act served as a starting point for the development of training programs specific to the needs of the war effort. Legislation for this latter purpose, as will be noted, followed shortly. The Youth Training Act officially expired on March 31, 1942. However, the various programs initiated under the legislation were carried on under Youth Training "schedules" of later Acts until finally allowed to lapse in 1959 (5, 1959).³⁸

The War Emergency Training Agreement of 1941.

Vocational training in support of the war effort began in 1940 as an expansion of the Youth Training Act then in 1941 came officially into its own under the War Emergency Training Agreement (10). Training was undertaken in all provinces except Prince Edward Island and consisted of:

³⁸In 1942 funds for Youth Training were drastically reduced (money was directed to other programs of training). In the last decade of its twenty-two years of existence, federal expenditures averaged between \$100,000 and \$150,000 per year. (Calculated from the Department of Labour Annual Reports). The greater proportion of expenditures went towards fishing courses offered in Nova Scotia and Newfoundland.

(1) trade training for servicemen; (2) technical training of a wide variety for men and women in the war industry; and (3) academic upgrading of personnel required for skilled tasks in the war (21, 1954, p. 27).³⁹ The Federal Government assumed the full cost of instruction and allowances to students. Administrative costs were borne by the province concerned and expenditures on necessary machine tools and other equipment was shared on a 50-50 basis. Provincial classroom and shop facilities were made available but additional facilities to meet the needs of the time were constructed in Nova Scotia, Ontario, Manitoba, Saskatchewan, Alberta, and British Columbia (10, p. 27).

The Vocational Training Co-ordination Act of 1942.

In 1942 federal legislation was brought forward which was not only to serve to coordinate Federal-Provincial technical and vocational training activities in the prosecution of the Second World War, but was also the structure through which federal involvement in such training was to continue for some fifteen years after cessation of hostilities with the Axis powers.

The Act came into effect on April 1, 1942 and authorized the Minister of Labour to undertake projects of vocational training for the following purposes.

³⁹ Upgrading in mathematics and science was given to potential aircrew members, radar operators, and the like (10).

- (1) Fit persons for employment for any purpose contributing to the efficient prosecution of the war whether in industry or in the armed forces.
- (2) Train for any gainful employment those former members of the armed forces eligible and approved for training by the Department of Veterans Affairs.
- (3) Fit unemployed persons for gainful employment.
- (4) Fit persons for employment for any purpose contributing to the conservation or development of the natural resources vested in the Crown in the right of Canada.

The Minister was also authorized to undertake and direct research work pertaining to vocational training and disseminate information relating to such training (5, 1953, p. 67).

Training undertaken for the federal government was paid for in its entirety by the Dominion (10, pp. 26). Shared-cost programs, however, were also authorized under the Act. The Minister was permitted by the legislation to enter into agreements with the provinces for any period to provide financial assistance up to but not exceeding the amount contributed by the provincial government (i.e. a matching grant subject to the limitations of the funds voted by parliament). (5, 1953, p. 67; 5, 1960, p. 70). The types of training eligible for federal support on a shared-cost basis included:

- (1) any of the vocational training projects noted previously but initiated in this case by the provinces;

- (2) approved projects formerly conducted under the Youth Training Act of 1939;
- (3) vocational training projects for the conservation or development of provincial natural resources;
- (4) projects of apprenticeship training recommended by the Vocational Training Advisory Council; and
- (5) the development and carrying on of vocational training on a level equivalent to secondary school level. (5, 1953, p. 67).

It is obvious from a review of the provisions of the Vocational Training Coordination Act that the federal planners had, in 1942, constructed legislation designed not only to meet the immediate technological needs of a nation at war but which would serve as a vehicle for the continued federal presence in such training. The various Federal-Provincial Agreements signed under the provisions of the Act ran the gamut from support of high school programs to training of the unemployed and attest to the pervasive nature of the legislation of 1942. These agreements were as follows:

<u>Agreement</u>	<u>Signed In</u>
Re-establishment Training	1942
Training of Unemployed Civilians	1942
Apprenticeship Training	1944
Vocational Schools Assistance	1945
Vocational Training	1948
Vocational Correspondence Courses	1950
Rehabilitation of Disabled Persons	1954
Vocational and Technical Training	1957
(Department of Labour <u>Annual Reports</u> for the years concerned).	

Activities carried out under the Vocational Training Coordination Act were collectively known as "The Training Program". By Order-in-Council in 1944 the term was altered

to "Canadian Vocational Training" (CVT) (5, 1946, p. 6). This title was considered in the latter stages of the war as more appropriate to a program which was now to emphasize long-range, post-war aspects rather than war emergency activities (Ibid.).

Re-establishment Training and Training of Unemployed Civilians. The planners of 1942 envisaged a need for the training or re-training of veterans and, three years before the end of the war, set up the mechanism to meet this need (The Re-establishment Training Agreement). Similarly, the Agreement with the provinces in regard to the training of unemployed civilians was not brought forward to meet 1942 needs (unemployment had virtually vanished with the war) but to meet what the planners anticipated would be high levels of unemployment occasioned by the "dislocation" of workers from war industry made dormant by the return of peace (5, 1944, p. 57). As it turned out, continued heavy demands on the production capabilities of the nation continued after the cessation of the war and little unemployment occurred as a result of "dislocation". Under the original Agreement the Dominion had been prepared to assume 75 per cent of the costs of the "dislocation" program (10, p. 29).⁴⁰

⁴⁰ In 1948 the Federal Government agreed to provide training (on a 50-50 shared-cost basis) for those disposed of employment as a result of technological advancements (5, 1949, p. 30).

In regard to the financing of Re-establishment Training, the Federal Government undertook -- on its own initiative -- responsibility for the full costs of all approved training. Programs began in a small way in 1942, reached a peak in 1946, and were nearly completed in 1948 (5, 1949, pp. 28-29; 1953, p. 69). Appropriations for the Training Branch for 1945-46 were \$13,150,000; for 1946-47, \$22,512,757; and for 1947-48, \$14,482,180. The funds budgeted out of these totals for the training of discharged servicemen were respectively, \$4,950,000, \$13,050,000, and \$8,500,000 (5, 1946, p. 61; 1947, p. 33; 1948, p. 34). The plan was re-opened in the Korean War period to accommodate veterans of that conflict (5, 1953, p. 69). A wide range of facilities was used for this training including private trade schools, provincial and municipal schools, special centres (for the most part former Army and Airforce stations), correspondence courses, and "on-the-job" training in industry (10, pp. 28-29).⁴¹

Apprenticeship Training. This Agreement called for matching grants (within the limit of funds voted by parliament) designed to promote the training of apprentices in

⁴¹Federal reports on the training of veterans, perhaps not unexpectedly, praise the various programs as excellent investments for the nation and sterling examples of Federal-Provincial cooperation. See for example Reference 10, pp. 28-29. Reference to "veteran training" in the various interviews conducted by the writer with provincial officials invariably gave a similar impression.

trades designated under Provincial Apprenticeship Acts (Ibid.). One of the immediate results of this agreement was the passing of Apprenticeship Acts in the provinces of New Brunswick, Manitoba, Saskatchewan, and Alberta (Ibid.).

Vocational Schools Assistance Agreement. The intent of this Agreement (inaugurated in 1945 and signed by all provinces) was to:

... assist the provincial governments in developing and maintaining, technical institutes, trade schools, and vocational schools and classes of secondary school grade in which at least 50 per cent of the time is spent in shopwork, drafting, and related subjects
(5, 1946, p. 6).

The Agreements were to be in effect for ten years (1945-55) and authorized a total federal expenditure of \$30,000,000. Except for an outright grant of \$10,000 per province per year, all federal funds were to be matched dollar for dollar by the recipients (5, 1946, p. 77). Two-thirds (\$20,000,000) of the federal fund was allotted to the support of operating costs while \$10,000,000 was set aside for capital projects. The original bill apportioned the funds among the provinces in proportion to the number of individuals in the 15-19 year age group (5, 1946, p. 77; 5, 1953, p. 68). However, the funds available for capital projects had to be claimed within the three year period 1945 to 1948. The evidence suggests that the Federal Government was anxious that capital projects be undertaken promptly

in order that sufficient training "places" be available for the expected influx of veterans following the end of the war. The legislation specified that individuals undergoing rehabilitation training would have priority in the use of all facilities furnished by the fund (5, 1945, p. 57). The "three year limit" for claims on capital projects was not enforced. The deadline was extended and re-extended (by Orders-in-Council) until the last of the fund was claimed in 1956 (5, 1958, p. 80). Thus once again a federal "penalty" was honoured in the breach.

The allotment of funds to the provinces according to the 15-19 year age group engendered some criticism (5, 1953, p. 14). It was evident that the richer provinces "earned" their allotments much more readily than those less well endowed.⁴² In addition, after 1952 when the grants were re-apportioned on the basis of the 1951 decennial census, the provinces destined to receive a smaller proportion of the federal funds were, without exception, "have not" provinces (Ibid.).⁴³ The possibility of revising the system of allotting funds was suggested in the 1953 Annual Report of the Department of Labour (5, 1953, p. 74). As will be

⁴² Federal contributions to the actual operating costs of vocational schools ranged from less than 20 per cent in Ontario to the maximum of 50 per cent in Newfoundland and Prince Edward Island (5, 1953, p. 14).

⁴³ The provinces were Manitoba, Saskatchewan, New Brunswick, Nova Scotia, and Prince Edward Island (5, 1953).

seen, however, many millions of dollars were allotted to the provinces under the TVTA Act using exactly the same formula.

Vocational Training Agreement - 1948. In 1948 the Federal Government drew up a comprehensive Agreement designed to incorporate within its structure as "schedules" a number of Federal-Provincial programs in technical and vocational training introduced under the Vocational Training Coordination Act of 1942. The various schedules initially included in this omnibus Agreement were as follows:

<u>Schedule</u>	<u>Program</u>	<u>Financing</u>	
		<u>Federal</u>	<u>- Provincial</u>
"O"	Youth Training	50	- 50
"M"	Training for the Unemployed	50	- 50
"K "	Pre-Employment Training and Upgrading of Defence Workers	75	- 25
K ₁ , K ₂	Armed Forces Training (Provided by the provinces)	100	- 0
Q ₂	Training of Foremen and Supervisors	50	- 50
L	Rehabilitation Training (Veterans)	100	- 0
R	Training of the Disabled	50	- 50
—	Student Aid	50	- 50

(5, 1953, pp. 69-70; 5, 1948, pp. 34-44).

The original Vocational Training Agreement was due to expire in 1950 but was renewed for a further year, thence for three years and finally in 1954 (in all provinces except

Quebec) given a final extension to 1959 (5, 1956, p. 68).

During the 1948 to 1957 period, then, there were four major Federal-Provincial Agreements initiated to effect the provisions of the Vocational Training Co-ordination Act of 1942. These were:

- (1) The Vocational Training Agreement,
- (2) The Apprenticeship Training Agreement,
- (3) The Vocational Schools Assistance Agreement,
- (4) The Vocational Correspondence Courses Agreement.

The latter Agreement (Correspondence Courses) was a relatively minor one initiated in 1950 and extended throughout the life of the TVTA Act of the 1960's.

Events of 1957

The year 1957 was selected as the final year of the period designated as the "historical background" to the TVTA Act. Events, after this period were so intimately related to the initiation of the TVTA bill that they were included in the chapter dealing with the genesis of the legislation (Chapter V). Two events of significance to technical and vocational education took place in 1957. The first, the passage of a further Agreement, belongs to the historical period; the second, the election of the Conservatives under John G. Diefenbaker to national office, rightly belongs to those events closely associated with the rise of the TVTA legislation.

The Vocational and Technical Training Agreement

No. 2. As expenditures for rehabilitation training for ex-servicemen rapidly diminished after 1949, the largest single item in the Federal budget for technical training under the 1942 Act was the \$30,000,000 authorized by parliament for the support of operating and capital costs of vocational schools in Canada (5, 1945-57). As has been noted, these expenditures were made under the Vocational Schools Agreement which was to be in effect from 1945 to 1955. In 1953 the Annual Report of the Department of Labour claimed that vocational school construction beyond that which qualified for federal support totalled over \$5,000,000 for the year and that "information furnished by the provinces indicates that additional projects totalling over \$20,000,000 will be required in the next few years" (5, 1953, p. 75).

The Vocational Schools Agreement was renewed on a year-to-year basis until 1957 when a new Agreement, the Vocational and Technical Training Agreement No. 2, was enacted. This Agreement was to run for five years (i.e., until 1962) and called for an expenditure of \$40,000,000 (5, 1957, pp. 65-66). At the time this was a substantial increase. Under the new Agreement a shift in emphasis was to be made. Whereas previous support for vocational schools had stipulated that two-thirds of the authorized funds were to be allotted to operating costs, the new measure specified

that twenty-five of the forty millions were to be spent on capital costs with the remainder to go towards meeting operating expenses (Ibid.). In other respects the Agreement followed the same shared-cost arrangements as was previously the case. A "penalty clause" in the legislation provided that capital funds apportioned to, but not used by a province might, at the discretion of the Minister, be assigned to another province (5, 1958, p. 70). Of further interest was the fact that the legislation was quite specific in directing support to a particular area of the vocational training field. Facilities for the training of technicians at the post-secondary level plus trade training in provincial institutions were to receive preference in the allocation of federal funds (5, 1957, p. 71).⁴⁴ This "directed support" in vocational education will be noted again in the next chapter.

Funds authorized by the Agreement were to be apportioned on the basis of the 15-19 year old age group in each province. Under this arrangement Quebec was due to receive 32 per cent of all grants. The Quebec Government, however, refused to sign the Agreement and thus relinquished

⁴⁴ Apparently this direction worked. Of the projects approved to the end of the 1959 fiscal year, 51 per cent were for institutes of technology, 26 per cent for combined institutes and trade schools, 18 per cent for occupational or trade schools, and 5 per cent for vocational high schools (5, 1959, pp. 72-73). The contrast between these proportions and the latter emphasis in the TVTA expenditures will be seen to be striking (Chapter VI).

all claim to the funds (5, 1959, p. 72).⁴⁵ In terms then of being a truly national program, it is evident that the Agreement fell short of the mark. The difficult question as to whether the money allotted to Quebec should be re-directed to the rest of the provinces (as stipulated in the "penalty clause") never had to be faced. One year before the Agreement was due to expire, it was replaced by the TVTA legislation.

Administrative Structures at Ottawa

The Department of Labour was charged with the responsibility of administering the federal legislation discussed to this point in the dissertation. The "Canadian Vocational Training Branch" and certain "Advisory Boards" were created at Ottawa to meet this function.

The Canadian Vocational Training Branch. The "Training Branch" or simply "Branch" as it was generally known, evolved in 1937 from the old Technical Education Branch created by the 1919 Technical Education Act. Given responsibility for the administration of the Vocational Coordination Act of 1942, the Training Branch increased dramatically in number from a handful of personnel in the late 1930's to some 3,500 members at its peak shortly after the Second

⁴⁵Quebec's Royal Commission of Inquiry on Constitutional Problems, which presented its report just prior to the federal initiative, held that federal financial involvement would inevitably lead to a degree of federal control (45, Vol. 1, p. 251).

World War (15, p. 2). With the phase-out of War Emergency Training and training of veterans came a drastic drop in personnel such that in 1951, for a period of time, one official, two stenographers, and two clerks comprised the Training Branch (Ibid.). Immediately prior to the passage of the TVTA Act the administrative staff of the Branch consisted of five persons including its Director, C.R. Ford (16).

In the various Annual Reports of the Department of Labour, the function of the Training Branch is described as that of co-operating with provincial government departments, employers' organizations, organized labour, and federal departments and agencies in the

... organization and development of all types of publicly financed training programs deemed necessary to fit persons for employment or to upgrade workers in their present occupations (5, 1956, p. 67).

The function of the Branch in "education" was very carefully phrased to acknowledge provincial suzerainty in education "proper" but at the same time leaving room for federal involvement.

Education, in so far as governments are concerned, is a provincial responsibility and, since vocational training is generally regarded as an integral part of the established educational system in each province, the Federal Department of Labour has refrained from operating its own training programs and has relied on the provinces to provide suitable training for all purposes as set forth in the Act (Ibid., and 1960, p. 70).

Advisory bodies. A provision of the 1942 Vocational Training Coordination Act called for the creation of a "Vocational Training Advisory Council". Accordingly an initial body consisting of sixteen members and a chairman was appointed on December 1, 1942 (5, 1943, p. 29). A broad character, as opposed to provincial orientation, of the first council was reflected in its composition. Membership initially included equal representation from employers and employees plus individuals from a variety of interest groups. No particular emphasis was placed upon representation from provincial governments (5, 1944, p. 48). However, through the late 1940's and into the 1950's this changed until by 1953 seven of the seventeen members, including the chairman, were either currently employed or recently retired from provincial Departments of Education (5, 1953, p. 78). The Advisory Council met biennially (normally in Ottawa) and reported directly to the Minister of Labour. The council was entirely advisory in capacity having no executive powers whatsoever.

Initially, the Council was divided into a number of ad hoc sub-committees each charged with making recommendations in certain specific areas. Two of these committees, the Advisory Committee on Apprenticeship Training and the Interprovincial Correspondence Committee were given permanent status but reported to the main Advisory Council

(5, 1953, pp. 67-68). Throughout the 1950's the Council continued to press the Minister for increased grants to vocational education.⁴⁶ Further, at its twenty-third meeting (1956), the Advisory Council went on record as favouring conditional grants to vocational education as opposed to increased general subsidies (5, 1956, p. 71). Although, as will be indicated in the chapter to follow, views differed as to the effectiveness of the Council, its chairman of some eighteen years was thoroughly convinced of its usefulness as witness his following statement:

Twenty-five years ago there was great suspicion of any proposal which might emanate from Ottawa lest it be considered some subtle method of infringing on provincial rights. This suspicion has now disappeared. It has been demonstrated repeatedly that partnership between the two authorities can be carried on to the mutual advantage of both. This is a solid achievement which might never have come about had it not been for the existence of such a broadly representative body as the Council (3, p. 113).⁴⁷

Federal Expenditures 1913-1957

Federal contributions to technical and vocational education under the various Acts described to this point in the dissertation reached a total of \$120,691,000 as of March

⁴⁶See for example the Annual Reports of the Department of Labour for 1955 and 1956.

⁴⁷In light of later events, as will be seen, these remarks of the Chairman of the Vocational Training Advisory Council (G.F. McNally of Alberta) seem overly sanguine.

31, 1957.⁴⁸ These contributions over the fiscal years were as follows:

1913-1936	Agricultural Instruction Act ⁴⁹	
	Technical Education Act	\$ 19,933,000 ⁵⁰
1937-1957	All Acts and Agreements subsumed under the Vocational Training Coordination Act of 1942	<u>100,718,000</u>
	Total	\$120,691,000

While the above total indicates federal contributions under the various Federal-Provincial Agreements, it does not reveal the entire federal contribution to technical and vocational education from 1913 to 1957. For example, technical training in the Armed Services conducted entirely apart from provincial authorities is not included in the total. While the training of men to maintain and to operate devices of war such as tanks and bombers was not done as a deliberate attempt to raise the technological skills of a nation, the ultimate effect was undoubtedly the same. In addition, a great deal of capital equipment purchased and used by the federal authorities for its own training during

⁴⁸This is an approximation of expenditures rounded off to the nearest whole \$1,000.

⁴⁹Whether contributions to agricultural training may be subsumed under the heading of "technical and vocational training" is, of course open to question. The payments are included here because the 1913 legislation may be considered as an initial federal venture in the support of training.

⁵⁰The total appropriation reached \$20,000,000. However, final claims on the Technical Education Act of 1919 were not made until the late 1940's.

World Wars I and II was later sold to the provinces at greatly reduced rates or turned over directly (10, pp. 28-29).

Expenditures: 1952-1957. An outline of federal contributions to technical and vocational education for the fiscal years 1952 to 1957, inclusive, is presented in Table II. It may be noted from the Table that contributions to vocational schools for capital and operating costs constituted the largest budgetary item in the final years of the "historical period". The proportion of all expenditures directed to that segment of the population considered as "youth" was as follows:

<u>Program</u>	<u>Per Cent of Total Federal Contribution (1952-1957)</u>
Vocational Schools	60.0 %
Apprentice Training	18.8
Youth Training and Student Aid	<u>9.6</u>
Total	88.4 %
	(Table II)

Training of the unemployed accounted for 7.2 per cent of expenditures for the six year period while 4.4 per cent went towards other programs. In 1956 the total federal expenditure on technical and vocational training was about 8 per cent of the estimated total of \$55,000,000 spent throughout Canada (5, 1956, p. 72). The proportion of the

TABLE II

FEDERAL VOCATIONAL TRAINING EXPENDITURES 1951-52 TO 1956-57
(\$000's)

Year	Vocational Schools	Apprentice Training	Youth Training ¹	Unemployed Civilians	Others ²	Total
1951-52	\$ 3,166 (71.3 %)	489 (11.1)	386 (8.7)	237 (5.3)	154 (3.6)	4,432 (100)
1952-53	3,254 (65.7)	775 (15.6)	505 (10.2)	228 (4.6)	186 (3.9)	4,948 (100)
1953-54	2,351 (57.5)	753 (18.4)	515 (12.6)	275 (6.7)	195 (4.8)	4,089 (100)
1954-55	2,322 (57.5)	839 (20.8)	350 (8.7)	334 (8.3)	161 (4.7)	4,006 (100)
1955-56	2,154 (54.7)	891 (22.6)	359 (8.6)	402 (10.2)	162 (3.9)	3,948 (100)
1956-57	2,069 (51.1)	1,034 (25.6)	353 (8.7)	374 (9.2)	215 (5.4)	4,045 (100)
Total	15,317 (60.0)	4,787 (18.8)	2,449 (9.6)	1,850 (7.2)	1,073 (4.4)	25,468 (100)

¹ Includes Student Aid² Includes Rehabilitation Training, Training of the Disabled, and other minor programs.(Source: Department of Labour Annual Reports for years concerned).

federal contribution had fallen from a high of nearly 50 per cent in 1945 (5, 1955, p. 75).

CHAPTER SUMMARY

Initial federal participation in technical and vocational education was examined in the first section of Chapter IV. The Robertson Royal Commission plus business and labour interests were seen as actively encouraging federal involvement. By 1919 the Conservative Party had initiated two federal acts in vocational education. The second of these two ventures (the Technical and Vocational Education Act of 1919) was administered for the majority of its life by King's Liberal government. In retrospect the 1919 Act may be seen to have set the basic pattern for shared-cost grants in vocational and technical education up to and including the TVTA legislation. By the mid 1930's the economic disasters of the Great Depression were such that Keynesian economic concepts had gained respectability and political parties were forced to reassess their concept of the role of government in such previously market determined areas as employment and the national economy.

The second section of Chapter IV was concerned with events from 1937 to 1957. Federal measures in vocational education in response to the demands of the 1930's and the Second World War were examined. The Vocational Training

Coordination Act of 1942 was seen as not only meeting immediate training needs but also as having an influence on the infrastructure of vocational education in Canada. It was through various Agreements signed under the provisions of the 1942 Act that the Federal Government participated in technical and vocational education until the TVTA Act was proclaimed in 1961. This Act plus various statements and programs of the federal authorities were identified as testimonials to federal acceptance of responsibility for maintaining employment.

Also included in the second section of Chapter IV was a review of federal expenditures to 1957 (\$120,691,000) plus a classification of the grant schemes which authorized these expenditures. The administration of the various Acts and Agreements through the Training Branch of the Department of Labour was given some attention. Brief mention was also made of the Advisory Council to the Training Branch and its activities in providing inputs from the provinces and from interested parties. Note was also made of the emphasis on youth as reflected in the expenditures of the Training Branch.

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CHAPTER V

THE GENESIS AND INITIATION OF THE TECHNICAL AND VOCATIONAL TRAINING ASSISTANCE ACT

Two major areas related to the introduction of the TVTA Act are explored in Chapter V. The first concerns the genesis of the Act with particular attention to those circumstances which made the new legislation viable. Meranto's "Model of Legislative Change", as described in Chapter II, was used as the analytical framework for the investigation.

Government proposals must pass through what in a sense is an initiation ceremony in parliament before becoming legislation in force. During this initiation, government bills may be subjected to exhaustive examination in the debates of the House of Commons. The second major area of interest in Chapter V then, following an overview of the salient features of the Act, is an examination of the controversy which accompanied the TVTA Act during its formal initiation phase in parliament. The controversy is explored from the standpoint of the questions outlined in Chapter III. It should again be noted that both Meranto's model and the questions developed as a basis for the examination were used as exploratory devices. It was not surprising that certain aspects of the model and certain of the questions proved more productive in the analysis than did

others. The objective uppermost in mind was to provide as accurate and as coherent an account of the genesis and initiation of the Act as was possible within the resources available for this research.

I. GENESIS OF THE TVTA ACT

Meranto's model for the analysis of legislative change postulates two major areas of investigation: (1) Environmental Changes; and (2) Changes Within the Legislative System (31, p. 11). Under the former area, "Circumstantial Conditions" and "Major Demand Articulation" are considered separately. The investigation of the genesis of the TVTA legislation was conducted using these headings to initiate research. In reporting the data, however, it was decided that for coherence developments would be presented in a roughly chronological order. Following an outline of the events, the data are related directly to the model.

A review of documents plus interviews with officials considered as closely connected with the events of 1957 to 1961 were the primary sources of information for this chapter. Information obtained from interviews was, in certain instances considered of greater importance than that found in documents. The reason for this was that while it is possible to build up a case from the literature in regard to certain events, the relative importance attached

to various circumstances described by the documents may not be revealed. For example, the unemployment statistics for the years immediately preceding the TVTA legislation can be readily tabled. However, the importance of unemployment as a factor in the advent of the TVTA Act resides in the perception of individuals. It was felt that interviews, supported by documentary research, would provide a better understanding of these perceptions than would documents alone.

Background Events 1957-1960

The Conservative Party, fighting its first federal election under the leadership of the Honorable J.G. Diefenbaker, was voted into office in June of 1957. Shortly thereafter Michael Starr was given the Labour portfolio in the new cabinet and thus became responsible to parliament for the activities of the Canadian Vocational Training Branch. Ten weeks prior to the election the Vocational and Technical Training Agreement No. 2 had been promulgated under a Liberal government. The new Agreement, it may be recalled from Chapter IV, provided a total of \$40,000,000 towards the construction and operation of vocational schools. Except for an emphasis upon construction as opposed to operating costs, the new Agreement, due to expire in 1962, was substantially the same as previous Liberal measures of the 1950's.

Prior to the June election, the Conservative Party had been out of office for over two decades. Further, it was a minority government which had been elected in 1957. These two facts would appear to militate against any immediate changes in the administration of programs already "on the books" and which had not been campaign issues.¹

Yet, while the 1957 Liberal legislation in vocational education continued apace; there is evidence to suggest that at the same time a concern for the technical training of young Canadians was evident at the very highest level of the new Conservative government.

In a reply to a question concerning Mr. Diefenbaker's own interest in the development of technical and vocational education, the former Prime Minister stated that he had become interested in the subject over a three or four year period prior to his becoming leader of the Conservative party in December 1956 (18). Once in power he had initiated an early review of this type of training.

Just as soon as the government was formed in June of 1957, according to the records, one of the first things I brought before my colleagues was the question of the need for action in vocational training.

¹The "rights of parliament", "the pipeline debate", and "closure" were among the issues emphasized by Diefenbaker in the 1957 campaign. See Hutchison (30, pp. 323-325) for an account of the campaign.

... At the same time (1957) I discussed the question with one or two of my colleagues and in addition asked those who were particularly knowledgeable in the field of vocational training or who had some experience under the legislation as it then existed to give me a full and complete briefing, which they did (18).

There were, however, more immediate items of a political nature which commanded the energies of the new government. Hutchison suggests that, barring unforeseen circumstances, the mood of the country was such in 1957-58 that an election would have given Diefenbaker a working if not commanding majority in parliament. An issue, later to have considerable relevance to the TVTA, arose which initiated the campaign of 1958 (30, pp. 325-326). The issue concerned a "hidden report" on Canada's economic prospects for 1957 which had been signed by Mitchell Sharp (then Associate Deputy Minister in the Department of Trade and Commerce) for the Liberal government in March 1957.² In part the report warned:

Since October (1956) the levels of person's without jobs and seeking work and of unplaced applicants have undergone increases that are clearly greater than seasonal. The percentage increases over the previous year can be expected

²In his book Vision and Indecision, Patrick Nicholson relates how he unearthed this report and personally presented it to Prime Minister Diefenbaker (34).

to widen for most of 1957. This is a disquieting pattern. (Quoted in Reference 34, p. 69).³

On January 20, 1958, Diefenbaker used the report to damn the former Liberal government for failing to take any constructive measures towards combatting an impending recession.

They concealed the facts, that is what they did. What plans did they make? Where was that shelf of works that was going to be made available whenever conditions should deteriorate? When we came into power and looked for that so-called shelf, there was not one solitary suggestion of a program to meet the situation (22, Vol. IV, 1957-58, p. 3530).

Hutchison's "unforeseen circumstances" had arisen. Diefenbaker dissolved parliament and called for an election for March 31, 1958. The electorate gave him 208 seats, an hitherto unprecedented majority.

The emphasis placed on discrediting the Liberals for their inaction in the face of rising unemployment, campaign promises of action,⁴ and finally the commanding mandate delivered by the electorate were all part of the background to the measures which the Conservative government were

³Newman claims that the report had been declared "Secret" because it represented the personal views of a minority group of government advisors who had been asked for their opinions on a confidential basis. The majority viewpoint, accepted by the Liberal government, was (according to Newman) that anti-inflationary measures were required and not anti-recession legislation (33, p. 67).

⁴"As long as I am in power no person is going to suffer because of the inaction of the government." Diefenbaker campaign promise as quoted by Hutchison (30, p. 326).

later to take in regard to the unemployment problem. It would appear reasonable to suggest that a Conservative commitment to vigorous effort to combat future unemployment had become crystallized in the election of 1958.

Whereas Sharp's "hidden report" had predicted a general slowing down in the economy and an increase in unemployment in 1959, the Economics and Research Branch of the Department of Labour had some very specific and equally disquieting comments to make about the manpower situation developing in Canada. In 1956 the Economics and Research Branch had initiated studies designed to obtain information on "the changing requirements for skilled manpower in Canadian industry and occupations, to assess the available supplies of manpower and to review the facilities for training workers" (8, 1958, p. 37). Dr. G.V. Haythorne, Assistant Deputy Minister of Labour in 1956 and later (in 1961) Deputy Minister, attributed the impetus for the TVTA Act as "coming to a very large extent" from the basic research initiated in 1956.⁵ (27).

In recalling the results of the research Haythorne noted three factors which the Research Branch had identified as of considerable concern to the Canadian economy.

⁵Prior to his appointment as Assistant Deputy Minister (1953), Haythorne, an economist, had been Director of the Economics and Research Branch (27).

... we could see on the one hand that a vastly increased need for skilled manpower for a highly technological and professional society and on the other the folly, or perhaps I should say the inadequacy of depending in the long run on immigration for skills, were two of the main factors, in my view, which were paramount at the time (1956-58). They lent as much as anything to a complete overview of the situation and subsequently to the realization that something pretty drastic had to be done with the whole education infrastructure.⁶

Now there was a third factor ... the very substantial increase in the birth rate and as a result the greatly increased school enrollments. The enlarged school populations and particularly in our view the increasing high school population, was a factor which happened to coincide with the two other factors (27).

The findings of the Royal Commission on Canada's Economic Prospects (1957)⁷ were clearly in accord with Haythorne's comments (12).

The Commission noted that Canada had experienced three major post-war periods of expansion, 1947-48, 1950-53, and 1955-56. The third period saw the sharpest expansion in the post-war decade but:

In this period the fundamental inadequacy of industrial training resources in Canada, in relation to the high requirements of the economy

⁶In remarks reminiscent of Robertson's Royal Commission of 1913, Haythorne was critical of Canada's educational system of the 1950's which "suited the few (academics) but not the many" (27). His concern was reflected in other documents (see especially Reference 25, p. 62 and 38, p. 12) which deplored the level of education among native born Canadian workers when the decade of the 1960's began.

⁷Also referred to as "The Gordon Commission".

for additional skilled tradesmen in years of expansion, was obscured by large immigration (Ibid., p. viii). (Underlining mine).

Apprenticeship training was regarded as an important factor in meeting manpower demands, as was the training given in technical and vocational schools, however:

The rather modest increase in apprenticeship training and vocational and technical school enrollments since 1951, however, had not matched, by any means the growth in requirements for skilled workers (Ibid., p. ix).

The country was warned that it could not continue to rely upon immigration to supply skilled workers from 1957 through to the end of the forecast period (1965) in sufficient quantity to meet anticipated demands (Ibid., x-xi and p. 75). In regard to professional manpower, shortages of varying degrees were predicted to continue to 1960 after which time growing requirements and new supplies might come more closely into balance (Ibid., p. xiii).

In addition to increased demands for skilled personnel forecast in the technical and vocational realm, the Royal Commission predicted that from 1960 through to 1965 the 15-19 year old age group would increase both rapidly and substantially (Ibid., p. 71). Figure 2 portrays the increases as anticipated in 1957.⁸

⁸It should be noted that the Royal Commission relied on the Economics and Research Branch for a great deal of the data used in its Report (12, p. 100). Thus the findings of the Commission were well known a priori to the Department of Labour.

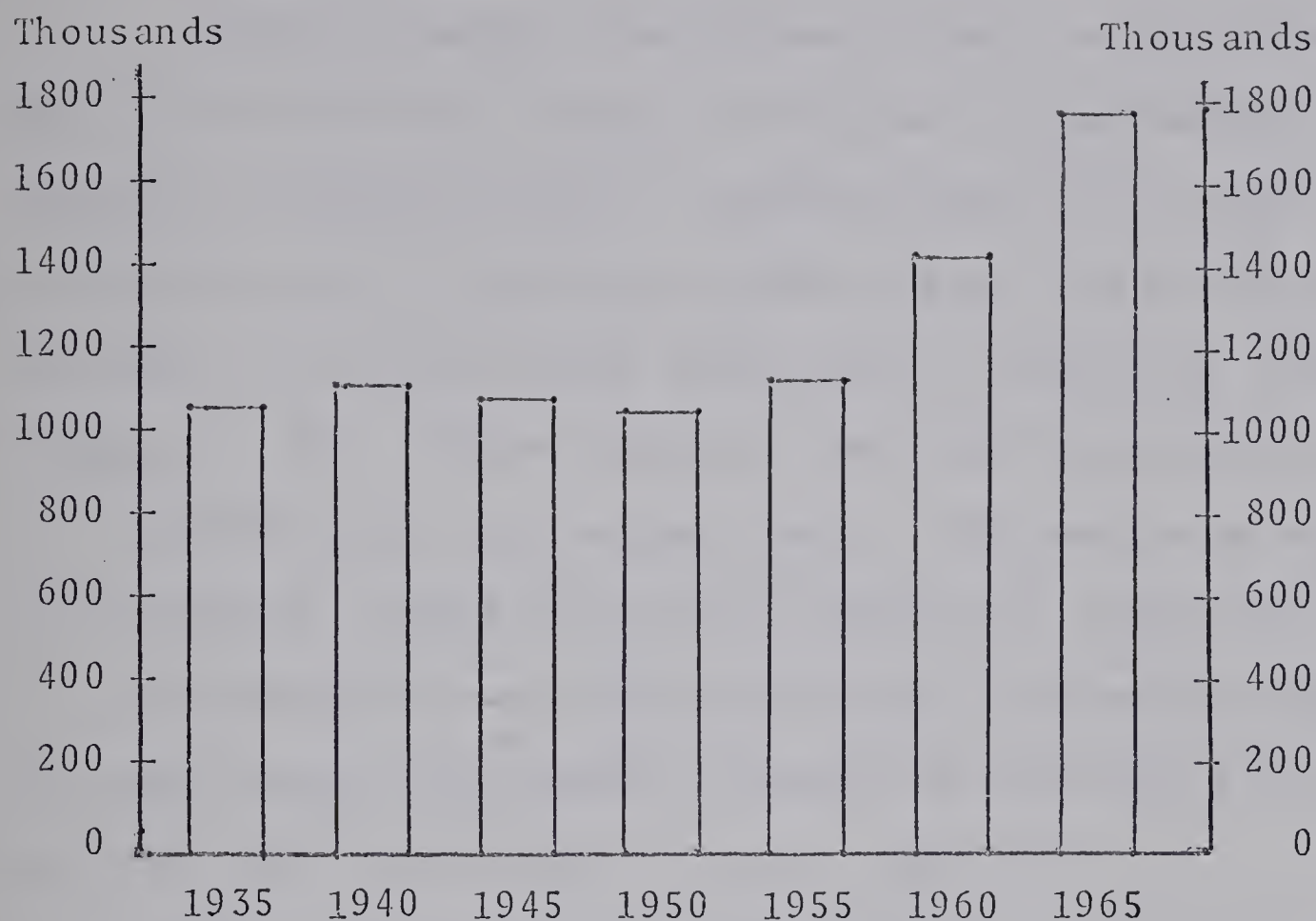


FIGURE 2

POPULATION 15 TO 19 YEARS OF AGE - CANADA
1935-1955

(Source: 12, p. 70)

An OECD⁹ review of manpower policies in Canada described the "bulge" in Canada's population (as a result of the post-war "baby boom") as one of dramatic proportions (35, p. 97). Over the decade of the 1960's, for example, the average annual increase in the 20-24 year age group was expected to be more than the entire decennial increase for the 1950's (Ibid.).

⁹Organization for Economic Co-operation and Development.

It may be noted from Figure 2 that for the 20 year period 1935-1955 the actual 15-19 year old population remained virtually static. Canada's total 15-19 year old population was 1.1 million in 1955 and was predicted to increase to 1.4 million by 1960 and 1.7 million by 1965 (Ibid., p. 71). These increases over 1955 population were 27.2 and 54.5 per cent respectively. The pressures of such numbers, argued the Gordon Commission, meant that "... training of some sort will have to be provided even if requirements for teacher training do not expand as much as this study anticipates" (12, p. 103).¹⁰

The concluding observations of the 1957 Royal Commission indicated the problems anticipated in regard to meeting Canada's needs for technically skilled manpower.

- (1) Requirements for skilled manpower were predicted to outrun supplies.
- (2) Immigration, which in the decade following the Second World War was the second largest source of trained manpower could not be relied upon to make up the forecast deficiencies. While valuable and essential to the rapid development of Canada, particularly in the 1920's, the late 1940's and the early 1950's, immigration had tended to reduce the urgency of giving consideration to the adequacy of Canada's educational and training institutions.

¹⁰ It may be noted that this remark had considerable significance for those local schools units throughout Canada charged with providing high school education for the "population bulge". While the type of training was a question of importance on the national scene, an immediate concern of local units was simply to find accommodation for the influx of students.

- (3) The rapidly expanding pool of young people from 1960 through to 1965 was expected to form the largest source of trained manpower provided adequate training facilities could be made available. However, the need for improvement of skilled and technical manpower, and the upgrading required to meet the complexity and pace of technological developments, called for an evolution of the character and extent of both the secondary and post-secondary school levels.
- (4) Finally, the most severe shortage anticipated in the coming decade (1956-1965) was in the supply of professional workers. While this could be eased in part by an increase in the supply of technicians, the Commission felt it was obvious that higher education facilities would have to be greatly expanded.¹¹ (12, pp. 100-104).

While the findings of the Commission were available in 1957, some three years were to pass before any large scale action was to be taken which could be related to the work of that body. What had occurred as a result of the work of the Economic and Research Branch and of the Commission was that the technical and vocational difficulties facing Canada had been clearly documented for public record. It remained for latter events to bring an increased urgency for government response to these findings.

Developments in 1958-59. A major political event of 1958 for Canada was the massive mandate given the Conservative government on March 31st. The Canadian

¹¹The Commission claimed that many professionals were engaged in functions which could be performed by qualified technicians, had they been available (12, p. 104).

Institute of Public Opinion reported in July of that year that a "commanding" 60 per cent of the Canadian people favored Diefenbaker and the Conservative government (34, p. 106). This peak of popularity was not to be regained. By mid 1959, this support, as judged by the Institute, had fallen to 50 per cent and then continued less sharply downward during the following twelve months. By the early fall of 1960, the sinking graph of the Conservatives crossed the rising popularity graph of the Liberals. (Ibid). It is suggested that this lower level of support must be viewed as a factor to be considered in the genesis of legislation during this period. Diefenbaker's biographers (Newman, Nicholson, Hutchison) all record the Prime Minister's careful attention to public reaction. Hutchison, for example, suggests rather strongly that a failing of Diefenbaker was that he attempted to govern:

... not by a stern and often unpopular judgement of events but by the precise measurement of his own popularity from day to day, almost from hour to hour (30, p.

Should this and other similar judgements be correct, it must be assumed that measures designed to relieve unpopular circumstances of the day would be looked upon with favor. A case will shortly be made to indicate that one important "unpopular circumstance" was the unemployment situation and that this in turn had an important bearing on the development of the TVTA Act. There are, however, certain

other factors to be considered before looking closely at the months immediately prior to the introduction of the Act.

Quebec and educational shared-cost programs: 1957-1960. Quebec had not participated in the 1957 federal cost-sharing programs for vocational schools (Chapter IV). In 1959 that province became further removed from vocational training schemes initiated at Ottawa. The Federal Government introduced the Special Vocational Training Projects Agreement of 1959 in order to extend such activities as Student Aid, Youth Training, and Training of the Unemployed, beyond their 1959 expiry date (8, 1959, p. 72). Quebec did not sign the new Agreement and thus on April 1, 1959, was no longer a party to any of the Agreements under the 1942 Act.¹²

Thus it would appear obvious that for a federal program designed to upgrade the technical and vocational skills of Canadians on a genuinely national basis, the co-operation of Quebec would have to be obtained. This co-operation, not evident in April of 1959, was to become more of a possibility in the fall of that year.

Maurice Duplessis, the provincial leader under

¹²The Agreements under the Vocational Training Coordination Act of 1942 were, as of April 1, 1959: (1) The Vocational and Technical Training Agreement No. 2, (2) The Special Vocational Training Projects Agreement; and (3) The Apprenticeship Training Agreement (8, 1960, p. 70).

whom Quebec had withdrawn from the various technical and vocational training agreements, died in the late summer of 1959. He was succeeded as Premier by Paul Sauvé. This event was, in Diefenbaker's view, of considerable significance to the eventual development of the TVTA Act (18). In an interview with the writer, Mr. Diefenbaker recalled that in a discussion he had with Mr. Duplessis, it was obvious that acceptance of federal funds for education (specifically in this instance for universities) was regarded by the latter as an invasion of provincial rights. Discussions with Mr. Sauvé, however, were much more rewarding resulting in the "Diefenbaker-Sauvé formula" under which Quebec agreed to accept funds in support of university education (18). In regard to prospects for an expanded federal role in vocational training, Diefenbaker noted that cooperation from the provinces had first to be discussed.

I discussed the matter at length with the premiers of three of the provinces and the one province in which it was expected there would be difficulty, the province of Quebec. The exclusive jurisdiction which the provinces enjoy over education was one of the major drawbacks when I first referred to the question. How were we to get over that? Well it was gotten over as a result of informal discussions which ultimately brought about unanimity.

One of the men with whom I discussed the matter at length was the late Colonel Sauvé who became Premier of Quebec in September of 1959. Sauvé was a remarkable man. Had he lived there's no question that he would have become one of the major leaders in this country

Question: These discussions then, Mr. Diefenbaker, laid the groundwork for the

acceptance of the TVTA Act which was to follow?

Mr. Diefenbaker: Oh yes (18).

It would appear evident then that the Conservative government had good reason in 1959 to think that the impasse over Quebec's non-acceptance of grants toward educational activities would not long endure. However, Sauvé died in early 1960. He was succeeded by Antonio Barrette who remained in office only long enough to be defeated in June, 1960, by the Liberal Party under Jean Lesage. The fact that Lesage was prepared to follow Sauvé's lead in accepting educational grants was soon evident. Approximately one month after attaining the Premiership, Lesage announced to the Federal-Provincial Conference of July 1960, that while he viewed joint programs as "undesirable", Quebec was:

"... taking the necessary steps to accept, on a temporary basis and without prejudice to its sovereignty, all the conditional grants that it is not now receiving but which are made to the provinces by the Federal Government (24, p. 130).

Why the TVTA Act?: Federal and Provincial Perceptions

Certain events of 1957 to 1960 which, it is suggested, have relevance as background to the genesis of the TVTA Act, have been noted. This section deals with perceptions various civil servants and political figures held as to the reason why the Conservative government introduced the TVTA Act in the fall parliament of 1960.

Various provincial views are presented first, followed by views from those who were on the immediate scene in Ottawa.

Provincial perceptions. A total of sixteen representatives from six provinces were asked their views as to why the federal government initiated the TVTA Act.¹³ These representatives varied from individuals occupying relatively minor positions to senior officials, including in one instance, the provincial Minister of Education.¹⁴

The comments of Dr. T.C. Byrne, Deputy Minister of Education for Alberta, are typical of the views expressed by provincial representatives.

Why did they do it? I would judge that the stock reason was the one that explains it. That is, the supply of labour which we had been getting from Europe was beginning to run out and it became apparent that we couldn't depend on immigration. We had to develop a labour force with these skills. Then I think that at the same time governments were becoming increasingly aware that you had to invest in training if you wanted to increase the production of a nation. I think many of the movements of investing in education had their start at the beginning of the 60's largely as a result of the economists having discovered the school system about that time or a few years previously (14).

¹³Because the study was concerned primarily with the federal level of government, a representative sample of provincial reaction was deemed adequate.

¹⁴The Honorable A.O. Aalborg, Alberta's Minister of Education at the time of the passage of the TVTA Act.

Officials from other provinces echoed Byrne's observations:

In so far as I can recall the reason was to provide for the deficiencies in the technical training of manpower in Canada (Quebec, Reference 2).

My recollections are that the federal government was concerned with the lack of qualified manpower from the standpoint of the economic returns to education and, although this was in the field of education, the federal government viewed it from the standpoint of manpower ... (Ontario, Reference 36).

The Executive Secretary of the Canadian Education Association emphasized the importance of the Act in relation to the employment situation of the time.

We had something of a paradox in our employment situation at the time. There was a great deal of unemployment yet jobs for skilled people were readily available. People wanted to know what our educational system was doing about this. Well vocational education had been a rather neglected area as far as the provinces were concerned, partly because it was an expensive type of education, and so the federal government developed these agreements with the provinces (41).

Federal perceptions. Three major reasons as to the "why" of the federal initiative in vocational education in 1960 were common among those cited in documents and obtained from the discussions and interviews with federal civil servants and politicians. These reasons, all prefaced by comments concerning the general problem of unemployment, were:

- (1) education was coming to be regarded as an investment which would yield excellent returns

to the general economy;

- (2) classic cures (work projects, deficit spending) for recessions could not alone correct the unemployment problems Canada was experiencing; and
- (3) the school systems of the country were failing to provide the majority of young people with the skills necessary to obtain employment in a technologically advanced society.

Another reason of a highly political nature will be noted after examples of these three points have been presented.

The Associate Deputy Minister of Labour, at the time the TVTA Act was passed, had these comments to make on the economic returns of education circa 1960.

We in the Department of Labour became convinced that the economic growth of a nation depends to a much greater extent than we economists had previously believed on an investment in the development of human resources. There was such a massive and major deficit in Canada that it had to be tackled in a bold and big way (27).

In 1962, the Director of the Canadian Vocational Training Branch, (Dr. C.R. Ford), gave four reasons as to why the TVTA Act was introduced.

- (1) Rapid advances in technology had changed the pattern of industrial occupations.
- (2) There was a growing demand in Canada for workers with a high level of skills.

- (3) The Act would help combat a school drop-out problem where large numbers of unprepared, unskilled youngsters attempted to enter the labour force.¹⁵
- (4) There was a lack of formal trade training programs in Canadian industry (14).¹⁶

The unemployment situation. The reasons given on pages 139-141 for the genesis of the TVTA Act all relate to the problem of unemployment. The rate of unemployment in terms of the number of workers without jobs and seeking work, was 6.6 per cent of the labour force in 1958 and 5.6 per cent in 1959. The slight decrease in unemployment in 1959 was not continued in 1960. By the fall of 1960 an estimated 429,000¹⁷ (6.6 per cent of the labour force) were unemployed (9, 1960, Vol. LX, p. 349 ff).

The nature of the unemployment problem, however, was referred to by one writer as "organically different than that found in the depression of the 1930's (30, p. Deficit spending or other classic economic measures could not alone cure the problem. From 1931 to 1956 the Canadian labour force had increased in total by 39 per cent. However, in the same period the number of professional workers

¹⁵In November of 1960, the largest percentage increase of unemployment was reported as in the 14-19 year old age group (9, Vol. LX, 1960, p. 1212).

¹⁶When interviewed in August of 1969, Ford recalled that the economic conditions of the times, unemployment and the need for training prompted the federal "infusion of funds" (19).

¹⁷According to the Montreal Star, in a front page article this figure (429,000) was the worst record in fifteen years (32, Dec. 14, 1960).

increased by 78 per cent and that of engineers by 157 per cent (10, p. 5). The latter figures were particularly important in regard to the demand for technologists. The claimed optimal ratio of technologists to professional engineers or scientists is three to one (Craighead, p. 34). An unemployment paradox existed in Canada at the beginning of the 1960's. Jobs for the skilled were available, yet the number of unemployed had, as the federal Minister of Labour, Michael Starr, put it in early 1960, "reached well beyond the limits that any of us would want to see" (9, Vol. LX, 1960, p. 553).

Considerable concern was expressed that Canadian young people were ill prepared to meet the changing demands of the time. Starr emphasized this point during education week in March 1960 when he stated:

Seventy per cent of Canadian children entering Grade 2 leave school before getting their junior matriculation or equivalent. They drop out before reaching a level of training that would equip them beyond jobs for the semi-skilled (9, Vol. XL, 1960, p. 349).

Later in the spring, Starr appeared before the Vocational Training Advisory Council and stressed the following points:

People are unemployed because they are unable to get the training necessary to take available jobs.

Many students are dropping out or graduating without education and training to hold job opportunities that are available.

All of these things are directly or indirectly related to unemployment (Ibid., p. 553).

One of the end results of this limited school experience was that the native educated Canadian was less well prepared scholastically than his immigrant counterpart. Prior to the TVTA Act the Royal Commission on Canada's Economic Prospects had noted that, on the average, immigrant manpower "... has a much higher degree of formal vocational and technical training than is characteristic of native Canadians" (12, p. 103). Where employment was available for skilled but not unskilled labour, it is evident that the native trained worker was, on the average, at a disadvantage. It is obvious that for the Federal Government, responsible for both immigration and unemployment, this state of affairs was politically unpalatable.

The employment of immigrants in areas requiring skilled tradesmen was for many years a fact of the Canadian industrial picture. During the decade 1946-1956 the total supply of skilled workers in Canada increased by an estimated 280,000. Contribution by net immigration to this gross supply was about 110,000 (39 per cent). It was apparent that immigrants were obtaining employment in those areas requiring a high level of training. In 1960 a survey of five skilled occupations revealed that 35 per cent of those employed were trained outside of Canada (9, 1960, p. 662). In 1961 every third architect, draftsman, mechanical engineer, physical and occupational therapist, tool and die maker, baker and plasterer came from outside the country

(16, p. 51). When, in the late 1950's, immigration began to fall off and a faltering economy could no longer absorb an increasing number of unskilled labourers, Canada's basic weakness in her ability to meet her own needs for technically trained personnel began to be apparent. The lack of skilled personnel was seen as curtailing production and research activities to the detriment of the nation (10, p. 13). The identification of the gap between needs and ability to produce trained workers created, in the view of a Department of Labour official, "... the basis and the climate for taking some substantial action to overcome it" (20, p. 3). The action, in this official's view, was the implementation of the TVTA Act (Ibid.).

In an interview in the summer of 1969, Michael Starr recalled his concern in 1960 over the limited training of the labour force.

At the time I found that our labour force was not meeting the demands of the times in terms of the training and skills which were necessary....

Only about 30 per cent of the jobs at the time required unskilled labour and so I thought some provision should be made to develop the skills and abilities human beings have but which are not adaptable to academic education (40).¹⁸

The main objective of the legislation, according to

¹⁸In 1961 in a radio broadcast Diefenbaker had argued virtually the same case for the initiation of the TVTA Act placing considerable emphasis on the inadequacies of present facilities in meeting Canada's technical and vocational training needs (13).

Starr, was to upgrade the labour force as a means toward alleviating unemployment (40). The latter responsibility, in the Minister's view, was clearly a federal responsibility.

Question: So as Minister of Labour you felt you had some responsibility for training in vocational and technical education?

Mr. Starr: That's right. In view of the fact that we were responsible, politically, for unemployment.

In reply to a question as to whether the TVTA bill was also seen as providing work in the construction industry, the following comments ensued.

Mr. Starr: Oh yes, and it did. It provided jobs not only in the actual construction industry itself but in the industries which supplied materials for the construction and also the equipment used in training.

Question: Did it give the economy a "shot in the arm"?

Mr. Starr: Oh yes, to quite an extent and particularly in those provinces which took the offer seriously and availed themselves of the opportunities (40).

A Special Senate Committee which met in late 1960 to examine "Manpower and Employment" cited the rising trend of unemployment as "... one of the most pressing national problems confronting Canada at the present time". Although this committee began its hearings on November 30, 1960, some thirteen days after the government had announced its intention to bring in the TVTA legislation and thus cannot be said to have been a factor in itself in pressuring the

government for its initiation, the Report of the Special Committee outlined in excellent detail the difficulties the nation was experiencing in 1960 (25). Concern was expressed by the Committee over a slowing down of the rate of economic expansion, emerging weakness of investment, increasing world competition, "automation" and technological change, all of which tended towards further unemployment.¹⁹ The Report noted that opportunities for unskilled and semi-skilled workers were becoming more and more limited as time passed (Ibid., p. 8). The situation, the Report suggested, must be viewed with a sense of urgency. "Without any question we must devote a much larger proportion of our resources to education and training of all kinds -- academic, professional, vocational and technical" (Ibid.). The Committee noted the necessity of "closing the gap" between demand and supply for a skilled labour force and stressed the unlikelihood that immigration could meet the requirements. Measures for educating or re-educating, training or re-training the labour force in order to obtain the best fit between workers' skill and changing job requirements deserved "the greatest attention" (Ibid., p. 63). Nevertheless, the Committee cautioned against any expectations that "... such measures can provide a quick

¹⁹ One of the first witnesses to appear before the Committee was Dr. J.J. Deutsch, who was later (1963) to head the Economic Council of Canada (25).

and complete cure for the present unemployment situation" (Ibid.).

Why a New Act? While it became apparent early in the investigation that lack of training and unemployment were seen as major factors related to the genesis of the TVTA bill, the question arose as to why new legislation should be introduced. Previous legislation (The Vocational Training Coordination Act of 1942) had been used for some eighteen years (as of 1960) to effect federal initiatives in technical and vocational education. Why not simply develop a new Agreement under the old bill? Ford was of the opinion that there was really nothing in the TVTA Act, with the possible exception of assistance for teacher training, which could not have been developed under the legislation then in existence (19). Later, he was to see things in their political perspective.

... At first I didn't see the necessity of an entirely new Act. I recognize now that in politics a new piece of legislation gives impetus to a change of direction (Ibid.).

One group which saw a need for a "change of direction" was an internal committee of the Department of Labour (chaired by Haythorne and with Ford as a member) which met during 1960 to consider the general question of manpower requirements in Canada (27). Training at both the secondary and post-secondary levels was considered. These discussions, according to the chairman of the committee,

led to a "... complete re-thinking of our approaches to training in Canada and this in turn, especially given the political climate of the day, led to a new rather than an amended Act, by the end of 1960 (Ibid.).

In addition, there were two highly political reasons for a "new" measure. First, it was simply an astute political procedure to develop "Conservative" legislation to meet the needs of the day rather than a revised Liberal bill. A second reason was that a new Act afforded the Government of Quebec the opportunity of joining the other provinces in a national program without suffering the embarrassment of embracing an old measure which had previously been rejected as an "invasion of rights". Like the Diefenbaker-Sauvé accord which paved the way for Quebec acceptance of federal funds for universities, a "new" Act was politically desirable for the transfer of money for technical and vocational education.

Pressure from the opposition. As unemployment rates climbed throughout the winter of 1959-60 and Conservative popularity fell, Hansard reveals that the tactics of the opposition parties were plainly to hang the "Albatross of unemployment" around the neck of the Conservative government. The Liberals, in particular, were prone to express the adage that "Tory times were hard times" and took pains to remind the Diefenbaker government that it was under another Conservative (Bennett) that Canada had

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endured the greater part of the terrible depression of the 1930's.²⁰ Interesting as these general arguments might be, the concern in this dissertation was to discover if the opposition generated any specific demands for federal support to technical and vocational training. The search provided ample evidence that the opposition, again led by the Liberals, had indeed made such specific demands.

In a strong plea to the government on March 24, 1960, Paul Hellyer²¹ of the Liberals expressed the view that, in the interest of solving the unemployment problem, it would be "... far better for unemployed persons to attend technical schools or other institutions during the winter months than to be completely idle" (22, 1960, Vol. II, pp. 2415-416). Hellyer noted that many of the unemployed had entered the labour force at an early age and were now out of work because they lacked the skills required of an increasingly technological society. There was thus a real need to provide training for the unemployed and this was fully, in Hellyer's view, a federal responsibility (Ibid., pp. 2415-417).

During the final weeks of July 1960, Opposition attacks on the government for the state of the economy and

²⁰ See particular House of Commons Debates, Reference 22, for March of 1960.

²¹ Hellyer was a "front bench" member of the Liberal opposition. Thus it may be assumed his comments reflected his party's policies.

the high levels of unemployment were particularly vigorous.²² On July 23, Starr announced that the current legislation on technical and vocational training would be amended to increase the federal shared-cost contribution in support of training projects for the unemployed from 50 to 75 per cent (22, 1960, Vol. VII, 7145). This measure was regarded by the opposition as entirely inadequate. Liberal leader Pearson, front benchers Chevrier, Hellyer, Martin, and Pickersgill all urged the government to do much more in the way of training for the unemployed (Ibid., pp. 7218-244). Pickersgill pressed the Liberal theme that the government should assume 100 per cent of the training costs of the unemployed in the same manner as a former Liberal government had borne the full costs of veteran training (Ibid., p. 7244). Further, Starr was urged to do his best in getting Finance Minister Fleming to spend more on vocational training (Ibid.). Hellyer was more specific. Instead of the "paltry" \$8,000,000 which the government had estimated as its current expenditures in vocational training, he called upon the Conservatives to spend \$100,000,000 or even \$200,000,000 a year if expenditures of this magnitude were necessary to rectify weaknesses in Canada's training of the labour force (Ibid., p. 7303). Further, Hellyer assured

²²See Reference 22, Volume VII, 1960 for the July debates.

Starr that if he were to come forth with such legislation he (Starr) would get "... a sympathetic reaction from all parts of this chamber" (Ibid.).

Thus it was clear by the end of July 1960, that the Opposition, led by the Liberal Party, had made specific demands on the government for increased support for technical and vocational training. The demands of the Liberals, however, were essentially for federal support for those currently unemployed. Training for the latter was viewed as requiring greatly augmented support to be borne in its entirety by the Federal Government.

Pressure groups. One of the core questions asked in the interviews was, "In your view did any particular group, or groups, exert a significant influence on the decision of the Federal Government to introduce the TVTA Act?" The same question was then asked in regard to individuals and provinces. The search for a private pressure group outside of government proved fruitless. Neither interviews nor document research yielded information which would associate the activities of any private organization with the government's decision to develop the TVTA bill. The Canadian Manufacturers' Association, for example, petitioned the Federal Government (late in 1960) to pursue a "buy Canadian policy" to stimulate the economy, but made no mention of support for technical and vocational training (42, December.

17, 1960).²³

In regard to the possibility that the Federal Government had been encouraged by one or more provinces to develop the Act, research failed to reveal evidence of any direct pressure. All provincial representatives questioned either denied or were extremely dubious that any particular province might have had a part to play in the development of the TVTA Act. While it was true that the Minister of Labour was generally familiar with the Ontario system of education and prior to the Act had expressed concern about the need for broadened educational opportunities in that province (39), there was no evidence to suggest that the legislation was any less of a surprise to that province than to any other. While undoubtedly the emphasis in the Act on construction and purchase of school equipment would encourage Ontario members of the federal parliament to support the measure, there was no indication from those interviewed or the documents examined that the Federal Government developed the Act in response to demands from any particular province or block of provinces. Nevertheless, there was encouragement from various provinces for federal assistance in meeting the costs of education.

²³The CMA, it may be recalled from Section One, Chapter IV, was identified as active in convincing the Federal Government of the day to initiate its first venture into support of technical education.

The 1960 Dominion-Provincial Conference on Fiscal Relations (Ottawa: July 25 to 27, inclusive) provided the Federal Government with two important items of information from the provinces. One, the decision of Quebec to accept shared-cost grants and thus open the way to a truly national extension of joint programs in technical education, has already been mentioned (page 137). The second point was that the provinces were unanimous in identifying education as their most pressing financial burden (24). Premier Frost of Ontario noted that merely providing the level of current services to the expanding school population was a task of staggering magnitude (Ibid., p. 20). Ontario welcomed financial assistance, but not in the form of grants. Instead, access to taxation fields was desired (Ibid.). While shared-cost programs were regarded as disruptive of provincial planning and of the setting of priorities, the Premiers of Nova Scotia, Prince Edward Island, and Manitoba all declared themselves in favour of unconditional grants. Saskatchewan alone welcomed the present style of federal assistance for university and technical education and, in order to improve educational opportunities in that province its Premier (T.C. Douglas) called for an extension of federal assistance in these areas (Ibid., p. 85).

The influence of the Vocational Training Advisory Council. From time to time in both interviews and documents,

the suggestion was made that the "Advisory Council" might have been of some influence in the genesis of the TVTA legislation. As a general rule, however, the closer the interviewee was to the Ottawa scene, the less the importance attached to the part the Council had to play in developing the bill.²⁴ Throughout virtually its entire existence the Advisory Council, under the chairmanship of G.F. McNally of Alberta, had recommended expansion of federal participation in vocational training.²⁵ McNally himself was reported as claiming no credit for the introduction of the TVTA Act itself, but did suggest that the most important recommendation made by the Council (in 1958 and again in 1959) was that the federal contribution to capital projects should be increased from 50 to 75 per cent (6, p. 113). Starr advised the writer that he took the recommendations of the Council in regard to increased federal financial involvement in vocational training in a serious vein, something, he suggested, which had not been done until he came into the picture (40). During the debate which followed the introduction of the bill (to be discussed in more detail later) Starr was asked if others outside his department had been consulted about the measure. Starr replied that it was the Branch (Vocational Training

²⁴Neither Ford or Haythorne attached any importance to the Advisory Council as an influential factor in the genesis of the TVTA Act (19; 27).

²⁵Department of Labour Annual Reports, for the mid-1950's are particularly illustrative of Advisory Council recommendations.

Branch) which gathered the necessary information and that the Advisory Council had made representation to the Department (22, Vol. 1, 1960-61, p. 682). There was no mention of any other bodies consulted. It would seem then that one of the roles of the Council was to appear as a representative of provincial governments, business, labour, and other interests, which the Federal Government could cite as having provided a reference point for its activities.

In reply to the request to identify the individual or individuals seen as exerting a significant influence upon the genesis of the Act, provincial representatives in general declined to name any one single person as responsible for the Act. Mentioned most often were those charged with the administration of the legislation. The reply made by the Deputy Minister of Education for Alberta was typical of provincial responses.

I wouldn't be prepared to say what individuals. I know that Ross Ford was most active in applying it. He knew all the programs intimately and had a tremendous influence in vocational education for a period. George Haythorne, Deputy Minister of Labour, must have gone along with Ross Ford's views. I'm sure others must have been involved (4).

Mention of Ford was made by all provincial representatives having any direct connection with the TVTA Act in the province concerned. However, Ford was not cited in connection with the initiation of the legislation, but rather in its administration. In addition to the two names quoted above, Prime Minister Diefenbaker and Labour Minister

Starr were both credited in the provinces as having "something to do" with the legislation. It would be remiss, however, to leave the impression that the provincial representatives interviewed regarded individuals as of dominant importance. Events, were generally ascribed much greater importance than people.

Decision and Preparation

Up to this point various general perceptions have been noted as to why the Conservative government brought forth the TVTA Act. In this section emphasis is on the identification of persons and situations more directly concerned with making the decision to prepare the legislation. According to Starr, the impetus for the Act came from himself.

It was motivated by me It was perhaps because of my own background that I was interested and I was able to convince the government of the day, actually without too much difficulty, that this was a path that they should take. Because of my own background, I suppose, I spoke quite convincingly (40).

In this statement, Starr refers to his "own background" and to "convincing the government". Both points warrant elaboration. During the writer's interview with Mr. Starr, the latter expressed what appeared to be deep and personal concern that the non-academic student should "have a chance" in Canada's education systems (Ibid.). This point was borne out in interviews with various officials

who had been associated with Mr. Starr during his tenure as Minister of Labour. The following comments from an Ontario Department of Education Official who had discussed the education of non-academically inclined youth with Mr. Starr are indicative of the type of remarks made.

Mr. Sisco: ... Michael Starr, who was then Minister of Labour, had been concerned for some time about the fact that many able youngsters were simply not making it in the academic stream of the secondary school.

(Mr. Sisco then described his personal contact with Mr. Starr which led to this conclusion.)

... I think that the concern he showed was a big factor behind his later moves.

Question: I take it he was particularly interested in technical-vocational education?

Mr. Sisco: He was certainly interested in it. This was due in part, I think, to his own background. He was a Ukranian boy who had left school fairly early and had worked his way up on his own. (39).

Within the ranks of the federal civil service, Starr was also credited by some as directly responsible for the development of the TVTA Act. The comments of the Director of the Training Branch (Ford) are typical.

Dr. Ford: I think the idea (for the TVTA Act) was generated by Mike Starr. I have no reason to think otherwise. He was our contact man. As I said, he was the type of person that didn't know that government procedures were not as direct as this! He said, "If we need the facilities, let's get them." This represents the honesty and integrity of that man. We need it, lets get on with it.

Question: Was this attitude similar to the Winter Works program which I'm told he "banged through" in record time?

Dr. Ford: Well he banged this program through all right! He got government support for it and away it went. (19).

The reference to the Winter Works program (full title: Municipal Winter Works Incentive Program) warrants further mention as illustrative of Starr's immediate background experience in shared-cost programs with the provinces prior to the TVTA Act. The Winter Works Program, initiated in the winter of 1958-59 was a Federal-Provincial agreement under which the Federal Government agreed to pay 50 per cent of municipal payroll costs for federally approved construction projects (8, 1960, p. 30). Certain features which bear a similarity to the initiation of the TVTA legislation were as follows:

- (1) The legislation was aimed at the local level of government with the provincial authority exercising overall suzerainty and free to add to the federal grant as seen fit.
- (2) While each project had to be approved by the federal authorities and federal contributions to municipal buildings was limited to \$50,000 (later raised to \$100,000) there was no limiting ceiling on other projects nor on the total amount of money available to the provinces under the Program.
- (3) The measure was developed and initiated unilaterally by the Federal Government. (8, 1959, p. 32; 46, p. 92).

In regard to the latter point, unilateral introduction of the Winter Works program, Mr. Starr stated that the fact

that "all provinces, even Quebec", had signed the agreements had been a surprise to his colleagues (40). Mr. Starr made the point that he preferred to use, and had much more success with a direct approach to such projects as opposed to agreements made through conferences (Ibid.). Further commentary on Starr's "banging through" approach will be made later in the chapter.

Convincing the cabinet. It is the practice in Canada that government bills must first secure Cabinet approval before being presented to parliament. While the actual proceedings of Cabinet are in camera, the decision-making process of the Diefenbaker government (as described by the Prime Minister) was as follows:

- Introduction of the proposed legislation by the Minister responsible.
- A general summary of the legislation by the Prime Minister (without revealing his own views) followed by the placing of the legislation before the Cabinet for discussion.
- After general discussion the Prime Minister would summarize the areas of agreement and division and suggest a common meeting ground.
- Consensual agreement as to final action.²⁶ (18).

It is apparent that in this process of decision-making the Prime Minister plays a large role even if he should, as

²⁶Mr. Diefenbaker eschewed the taking of votes on Cabinet decisions because the procedure, in his view, inevitably led to divisions and in turn to "log rolling" (18).

Mr. Diefenbaker suggested to the writer, sometimes lean to the opposite of what he hoped the Cabinet would conclude in order that full discussion be ensured (Ibid.). Thus it seems only reasonable to suggest that the Prime Minister's personal approval of bills put before the Cabinet could not but help to ensure their eventual emergence as government legislation. Starr's comment that he was able to "... convince the government of the day, actually without too much difficulty" (page 157) to proceed with the TVTA act, may well reflect Diefenbaker's own endorsement of the legislation. There is evidence to suggest that the Prime Minister was well disposed towards the measure.

Diefenbaker's insistence that one of the first undertakings of his new government should be a review of technical and vocational educational training facilities in Canada, has been noted earlier in this chapter.²⁷ Further, in the summer of 1960, the point that training and levels of unemployment in Canada were closely related had been carefully and clearly drawn to the attention of the Prime Minister. During the summer of 1960 Diefenbaker held a series of meetings with five senior civil servants from federal agencies

²⁷In an interview with the writer, Diefenbaker described how his early awareness of the lack of vocational training facilities was brought to his immediate attention by the plight of certain young people in his own riding who, lacking an inclination for academic pursuits, were left with little hope for any further training beyond high school (18).

intimately concerned with the economic conditions of the nation.²⁸ Represented were the Departments of Labour, Trade and Commerce, the Bank of Canada, and the Secretary of the Cabinet (27).²⁹ At these meetings the state of the economy was reviewed exhaustively. The representative from the Department of Labour advanced the case that demands for trained people often outstripped the supply while other kinds of manpower (the untrained) were in excess of demands. Mr. Diefenbaker was further advised that, according to the then latest information, approximately 45 per cent of all males in Canada had only grade eight education or less. In the 20 to 24 age bracket the figure was 33 per cent (Ibid.). In reply to a direct question as to whether he believed the Prime Minister supported the bill, the Former Deputy Minister of Labour (Haythorne) replied that Mr. Diefenbaker had given his complete support (Ibid.).

It should be noted here that it is not customary in Canadian politics for a Prime Minister to deal directly with the higher echelon of civil servants in the absence of Ministers of the Crown. The meetings of the summer of 1960 attest then to the considerable concern the Prime Minister felt for the then sluggish economy of the nation.

²⁸I am indebted to Dr. G. Haythorne, who attended these meetings as the representative from the Department of Labour, for information concerning the discussions.

²⁹Two representatives from Trade and Commerce were present (27).

Finally, in regard to the question of Diefenbaker's support of the TVTA legislation, it is profitable to return to his own remarks. In a first interview³⁰ with the former Prime Minister, the latter referred to the Act in a proprietorial vein as "my legislation" and remarked that there were those among his colleagues who had to be convinced of the merit of the measure. In a second interview, Mr. Diefenbaker stated he was personally "sold" on the need for the legislation and later went on to describe the Act as the highlight of his government's endeavours. His remarks were as follows:

Well as I go through the country and meet young people who have taken these courses and I'm asked what piece of legislation would you place most emphasis upon as an achievement of your administration, it would be this (the TVTA Act).

One can almost use the words, and I do in their best sense, when someone asked in London, "Where is the monument to Sir Christopher Wren?", the reply was, "Look about you!" (18).

Despite the backing which can be ascribed to both Starr and Diefenbaker, it cannot be assumed that there was complete Cabinet unanimity in regard to the legislation. In the writer's second interview with the former Prime Minister it was again pointed out by Mr. Diefenbaker that at first he did not receive the degree of support (for vocational training) that might have been expected (18).

³⁰ A brief interview, was held in June, 1969. A second (longer) interview was conducted in the following August.

In particular, the question of cost had to be considered. The Minister of Finance (Flemming) apparently was caught on the horns of a dilemma. According to a newspaper report of the time, the Finance Minister was faced (in 1960) on the one hand with:

... voter confidence undermined by unemployment and on the other investor confidence undermined by further additions to the 1.1 billion dollar deficit piled up in the past three years.
(42, December 20, 1960, p. 1).

The federal budgetary deficits since the return to power of the Conservatives was indeed a matter for some concern. After a string of surpluses amassed by the preceding Liberal administration, the Conservative record was as follows:

<u>Fiscal Year</u>	<u>Expenditures</u> (Millions of dollars)	
	<u>Forecast</u>	<u>Actual</u>
1957-58	+152	-38.6
1958-59	-640	-609.3
1959-60	-393	-413.1

Note: (+) = surplus, (-) = deficit. (23, 1957-1960).

Flemming had estimated a modest (\$12,000,000) surplus for the 1960-61 fiscal (23, 1960). However, the demands to combat unemployment appear to have taken precedence over attempts to balance the budget. On the day that the TVTA Act was passed (December 20, 1960), both Fleming and Diefenbaker were reported as repeatedly asserting that they would "... not hesitate to resort to deliberate deficit financing if deterioration in the Canadian economy required

it". (42, December 20, 1961). The following day Flemming made public a "mini-budget" in which the anticipated surplus was replaced by an estimated deficit of \$286,000,000 (Ibid., December 21).³¹ A case will later be made that anticipated expenditures on the TVTA bill were not of the order ultimately realized. Consequently, while objections may have been raised in the Cabinet in regard to deficit financing, the TVTA bill was unlikely to be seen as a major contributor to such deficits.³²

As a final point in regard to Cabinet decision to proceed with the bill, the question arose during the course of inquiry as to whether opposition to the measure on constitutional grounds (particular by French-Canadian Cabinet Ministers) was raised in the Cabinet. While Cabinet proceedings must, of course, remain confidential, a clue may reside in the claims made by political writer Peter Newman in regard to its composition. According to Newman, French Canada was very poorly represented in the Diefenbaker Cabinet (33, pp. 282-283). Of Quebec's 75 seats, 50 had gone to the Conservatives in 1958. However, only six French

³¹In actual fact, the deficit as of March 31, 1960, reached \$340,400,000 (19 per cent more than predicted in the preceding December) (23, 1960). Further commentary on budgetary miscalculations made by the Conservative government are included in Chapter VI of the dissertation.

³²This point is examined in some detail in the following chapter.

speaking members from Quebec occupied Cabinet posts, none a senior portfolio (Ibid.).

From the evidence available, it appears that the decision of the Cabinet to prepare a new Act to assist technical and vocational training was made sometime during the first two weeks of October, 1960. While the actual date must remain a Cabinet secret, there is very good reason to believe that the period specified is correct. On July 20, 1960, estimated shared-cost expenditures for 1960-61 on technical and vocational training were read into House of Commons records as \$8,435,000 (22, Vol. VI, 1960, p.6642). This estimate was virtually identical to the 1959-60 estimate of \$8,457,000 and thus gave no indication of proposed changes in federal expenditures in the area. On July 29, in reply to prodding from the Opposition about federal inactivity in vocational training, Starr indicated that further plans and projects to relieve unemployment were now under discussion but he was not at liberty to make any further statements until the government had made a final decision (22, Vol. VII, 1960, p. 7249).

No further indication of government action during August and September was unearthed. However, a senior official of the Training Branch recalled that in the first part of October he had started a tour through western Canada only to be called back at the outset because his office advised that something significant was about to occur

as regards technical and vocational education. In the official's own words he was advised on the following Tuesday that:

... the government had decided that they would do substantially the same thing as had been done but they wanted a new Act and they wanted it on Thursday. Well of course they didn't get it by Thursday but this certainly indicated that they had decided to do something significant about vocational education, and there was something very urgent about it and they wanted it in new legislation. (Category "B").

Despite the government's urgency the preparation of an Act to replace the old Vocational Training and Coordination Act of 1942 took longer than the two days originally allotted. Haythorne, who was responsible for the drafting of the bill, outlined the general format desired and left the details to a Department team to develop (27; 19). Before doing so he insisted that the title of the Act include the word "technical" to indicate concern for the development of post-secondary training (Ibid.). Ford was a member of the development team and during the process of organizing the legislation took the opportunity to place emphasis on the development of what he described as a "total program" in vocational education (19).³³ In this regard he considered his efforts successful in that the final draft of the Act prescribed

³³ By "total program" Ford included all phases of training which would assist the non-university student to prepare for the world of work. In a number of articles, papers, and in an interview with the writer, Ford held strongly to the belief that federal assistance should seek to bolster vocational training "in its totality" as opposed to an emphasis on any one particular phase.

funds for a wide range of programs (Ibid.). Other team members were concerned with the administrative and legal aspects of the Act (19; 40). The Department product then went to the Cabinet Legislation Committee (of which Starr was a member) and thence to the Cabinet for final approval. The intent of the government to initiate new legislation in technical and vocational education was then written into the Throne Speech and read to parliament on November 17, 1960.

II. MERANTO'S MODEL AND THE TVTA ACT

The investigation of the genesis of the TVTA Act, using Meranto's model as an analytical framework, yielded the data presented in the first part of this chapter. In Figure 3, the various factors identified as of importance in the genesis of the Act are listed under the appropriate sub-headings. A brief review of these factors follows.

Environmental Changes

(a) Circumstantial conditions. A factor identified as of major significance among those circumstances related to the genesis of the TVTA Act was the high level of unemployment in Canada in the late 1950's and early 1960's.

The recession which began as an economic turn-down in 1957 and "peaked" in the winter of 1960-61 left the unskilled worker long in supply and short in demand. What

ENVIRONMENTAL CHANGES

CHANGES WITHIN THE LEGISLATIVE SYSTEM

(A) Circumstantial Conditions

Unemployment:

- recession
- increase in 15-19 age group

Immigration rates drop

Hidden "report" on unemployment

Death of Premier Duplessis

(B) Major Demand Articulators

Report: Canada's Economic Prospects

Parliamentary demands

Department of Labour -- "Internal Interest"

New

Inputs

Conservative government in 1957

Conservative mandate in 1958

Diefenbaker-Starr occupy offices of power

New leadership in Quebec

TVTA
Act

FIGURE 3

MERANTO'S MODEL AS APPLIED TO THE GENESIS OF THE TVTA ACT

has been described in the preceding pages as the inherent weakness of Canada's capacity to train skilled workers and technicians was exposed when, with immigration falling and unemployment rising, Canadian industry suffered shortages of skilled labour. The situation was further aggravated by the entry of increased numbers of unskilled or semi-skilled native-born Canadians into the labour market. Technological advances occasioned changes in the proportion of various occupational categories and reduced even further the demand for unskilled labour.

By virtue of the disclosure of a Liberal "hidden report" on potential unemployment in the nation, Diefenbaker had a case for the dissolution of parliament and an appeal to the nation for a majority government. When the nation responded massively to his request, it followed that the key issue of unemployment was irrevocably an area of considerable sensitivity to the Conservatives.

Another event of a circumstantial nature which helped to create a favourable climate for the development of the TVTA Act was the change of government in Quebec. Duplessis's adamant stand against acceptance of grants earmarked for education died with him. New political personalities in that province brought with them the very real possibility that a new venture in vocational education would include Quebec and thus be a program of a truly national character.

(b) Major Demand Articulators. It was clear that the primary demand made upon the government in the months preceding the introduction of the TVTA Act was for the relief of unemployment. As this demand became accentuated throughout the nation the climate for the introduction of a means to this end, became more propitious.

The necessity existed for a relationship to be established between unemployment and lack of training. This relationship was revealed through studies conducted by the Economics and Research Branch of the Department of Labour. The findings were used extensively in the report of the Royal Commission on Canada's Economic Prospects and thus became public knowledge.

Throughout the sessions of 1960 parliament itself became a "Major Demand Articulator". This stemmed in part from attempts by the Opposition to lay the blame for unemployment upon the Conservatives in a general sense and in part from specific suggestions to the government to take additional action in technical and vocational training. In this manner the Opposition played upon the Conservative Party's sensitivity about unemployment while offering an alternative which parliament as a totality was likely to support. Of importance too in "articulating" a demand for further action in technical and vocational training was the presence of men within the Department of Labour who had become committed to the belief that the technical competency of Canada's

labour force required considerable upgrading.³⁴ Through circumstance previously noted (Diefenbaker's advisory group of civil servants), the reasons for this commitment were drawn to the attention of the Prime Minister. A further body which, though not strictly speaking one which was "within" the Department of Labour yet which had direct access to the Minister, was the Vocational Training Advisory Council. This agency had for many years stressed the need for increased aid to technical training. While of questionable influence, the Council performed an important function as far as government was concerned in providing at least the appearance of a dialogue among the different levels of government and industry.

Changes within the Legislative System

The most important change within the legislative system (the Federal Government) as indicated in Figure 3 was the return to power of the Conservative Party in 1957. Subsequently the election of 1958 elevated the party from minority government to one which possessed an overwhelming majority.

The importance of the change of government to the eventual introduction of the TVTA legislation cannot be regarded lightly. In the realm of politics a government

³⁴ Haythorne and Ford are obvious examples of such individuals.

must not only act, but it must also be seen to act. There was a need then that "new" legislation should be forthcoming in answer to the demand for action to counter unemployment.

In addition to the need of a government to be seen to produce its own brand of legislation the return of the Conservatives to power was the occasion for the entry of J. G. Diefenbaker and Michael Starr to positions of leadership in government. As has been noted, both these men were well disposed towards increasing the opportunity for young Canadians to receive technical and vocational training. Again it was Diefenbaker as Prime Minister who took the unusual step of forming an advisory group of top civil-servants from various departments to advise on counter measures to unemployment. As a consequence the plea for increased vocational training had an audience at the highest level. Starr's success with his unilaterally developed "Winter Work Program" appeared to serve as an indicator that direct action with the provinces was no hindrance to obtaining their co-operation. Thus the stage was set for the unilateral development of the TVTA Act by the Federal Government in the fall of 1960.

Inasmuch as government in Canada takes place not only in the legislative chambers of the federal and provincial authorities but also through arrangements made as a result of confrontations and/or conferences between these two levels, a change in the personalities at either level can

have considerable impact on the type of legislation produced. Thus the death of Premier Duplessis led to the appearance of new leadership in Quebec which in turn created new potentialities for those measures of government which stem from Federal-Provincial interaction. The willingness of Sauvé and later Lesage to accept funds directed at educational activities was another factor propitious to the passage of the TVTA Act.

It follows from the discussion to this point that no single event or single body or individual could be said to have been alone responsible for the development of the TVTA Act. Instead, the Canadian Act arose as an outcome of events and circumstances which congregated at a certain point in time to make the legislation a reality.

III. THE TVTA BILL: OVERVIEW-FEATURES-CONTROVERSY

It is the purpose of the final sections of Chapter V to: (1) provide an overview of the TVTA legislation: (2) note certain features of the new bill; and (3) examine in some detail the controversy which attended the introduction of the new measure.

In the Speech from the Throne of November 17, 1960, which opened the fourth session of Canada's twenty-fourth parliament, the Conservative government declared its intention to extend assistance to provincial governments "for vocational training both in the school system and in

the training of those who have already become workers" (22, Vol. 1, 1960-61, p. 3). In a move which indicated parliament's concern about unemployment, the House granted unanimous consent to waive debate on the Throne Speech in order that supplementary estimates, which Prime Minister Diefenbaker declared would provide the means to combat unemployment, could be passed at once (Ibid.). Included in these supplementary estimates were the proposed expenditures for the TVTA Act.

In order that the reader may become familiar with the legislation itself, and thus appreciate in greater detail the controversy which accompanied its introduction, an overview of the Act follows.

The TVTA Act -- An Overview

As had been the case with the Vocational Training and Co-ordination Act of 1942 (repealed with the introduction of the new legislation) the TVTA Act provided for the continuation of previous legislation plus added certain new and unique features.

The major points of the new legislation which was to be in effect for the six years period from April 1, 1961 to March 31, 1967 were:

- (1) Federal contribution towards expenditures for Technical and Vocational training facilities (capital and equipment) was set at 75 per cent of provincial expenditures for approved projects completed by March 31st, 1963. The federal

proportion then dropped to 50 per cent to March 31st, 1967. No quota allotment was established by the Act.

- (2) The Act called for 75 per cent federal contribution towards the cost of training the unemployed provided that a minimum number of training days was supplied by a province in each fiscal year.
- (3) The Federal Government agreed to contribute, without the limit of a quota allotment, 50 per cent of the cost of approved vocational or technical training to persons who had left the regular school system. The type of training which would be approved included, training of supervisors, apprentices, the disabled, and other for employment in industry, trades, and occupations of all kinds whether in manufacturing, agriculture, fishing, forestry or any other primary or secondary industry.
- (4) In order to provide sufficient instructors and administrative personnel which the expansion in training would require, the Act provided for federal support to the extent of 50 per cent of approved costs of training technical and vocational teachers, supervisors and administrators.
(8, 1961, pp. 76-77; 1962, pp. 16-17; 3).

The three Federal-Provincial Agreements which had preceded the TVTA bill were now reduced to two. Provinces wishing to take advantage of the new legislation signed the Technical and Vocational Training Agreement while the Apprenticeship Agreement continued in effect. The various "schedules" provided under the former Agreements had, along with certain new concepts, been developed into a series of "programs". In the original 1960 Agreement the programs were as follows:

Capital Expenditures Program.³⁵ Under this section of the new Act provincial expenditures on capital and equipment (facilities) received a 75 per cent rebate on projects approved by the Federal Government. No provincial quotas were established. Federal expenditures were limited only to the extent of the money voted by parliament. As will be shown later in the dissertation, contributions under this one program were soon to total far more than all previous combined federal expenditures on vocational and technical training.

Program 1 - Vocational High School Training. In effect this program continued the previous federal provision of a limited amount of funds towards the operating costs of vocational courses offered in high schools. Under this program a total of \$15,000,000, with a maximum of \$3,000,000 in any one year, was to be contributed to the provinces. Of the nine original programs initiated under the Act, only this and "Student Aid" were to operate under a fixed quota. An initial allotment of \$30,000 was made to each province and \$20,000 each to the Yukon and the Northwest Territories. The balance of the annual allotment was divided among the provinces and the territories according to the usual basis of

³⁵ Data for the outline of this and the following programs were obtained from References (3, 8, 22, 26).

the ratio of the number of persons in the 15-19 age group residing in each province or territory to the total number of persons in this age group in Canada. Except for the initial allotment, federal contributions were on a 50-50 shared-cost basis. To qualify as "vocational courses" eligible for federal assistance, students were expected to spend a minimum of 50 per cent of their time in courses of a vocational nature.³⁶ Capital expenditures were not supported under this program.

Program 2 - Technician Training. Under this program the Federal Government agreed to rebate 50 per cent of the costs of training high school graduates in the principles of science, technology, engineering or business. Any training offered for university credit was not eligible for federal assistance. This program was offered on a straight matching grant basis with again no pre-set quota as to the amount of money which would be contributed.

Program 3 - Trade and Other Occupational Training.

In effect Program 3 provided the same general type of support for trade and occupational training as Program 2 extended to technician training. Courses which received 50-50 shared-cost assistance included pre-employment training or retraining for persons over the compulsory school attendance age or for

³⁶ Federal stipulations as to what were "vocational courses" were quite flexible. For example, high school science and mathematics courses qualified as "vocational".

those who had left the regular elementary or secondary school pattern and required training to develop or increase their occupational competency. Apprenticeship training, however, was supported under the separate Apprenticeship Training Agreement and not under this program. Training was normally offered in provincial trade schools or institutes but could include correspondence courses. Courses of training varied from a few days to a maximum of two years in duration.

Program 4 - Training in Co-operation with Industry.

This program was part of the "total vocational training concept" envisaged by Ford. It provided for two aspects of training within single or groups of industries. One aspect was the training of management and supervisory personnel, the other was provision for upgrading and retraining of workers who required new skills to stay abreast of technological developments. For the latter types of courses provision was made for basic education upgrading to prepare trainees to assimilate more advanced training. No quotas were established for 50-50 cost-sharing of federally approved projects.

Program 5 - Training for the Unemployed. This program continued the work of previous agreements in providing training for the unemployed. Federal reimbursement for provincial expenditures remained at 75 per cent of the

training costs provided that the number of student training days exceeded 7 per cent of a province's adult population as of June, 1959. Training allowances for students taking instruction under this program were also regarded as shareable costs to be reimbursed at the 75 per cent rate. No quota was set on the money which could be claimed. However, it may be noted that this was the only program which required a minimum or floor contribution on the part of the provinces in order to be eligible for 75 per cent federal support. As had been the previous procedure, training was given to those registered with and selected by the National Employment Service (NES) of the Federal Government.

Program 6 - Training for the Disabled. Technical or vocational training, retraining or vocational assessment of any disabled person who, because of a continuing disability, required training to fit him for suitable employment was given under this program. Disabled persons were selected by special committees representing provincial and federal governments. Costs were shared equally between the Federal Government and the province concerned. There was no quota to limit the extent of assistance.

Program 7 - Training of Technical and Vocational Teachers. This was another 50-50 shared-cost program (without a quota) permitted under the Act. Supervisors and administrators of training, as well as teachers, could be

trained under the provisions of this part of the agreement. Trainees could receive financial support while undergoing full time instruction.

Program 8 - Training for Federal Departments and Agencies. This was a relatively small program in which the Federal Government paid the full cost for federal employees, such as servicemen, who received training in provincial institutes or from provincial instructors. Where the trainees were not federal employees (commonly marine personnel) the federal support fell to 75 per cent.

Program of Student Aid

This program continued the practice initiated in 1939 of providing outright grants and/or loans to university students and nurses-in-training. The total amount of money available through this program continued at a fixed rate. Assistance for students undergoing technician training and for those training as vocational teachers was given under their respective Programs (Programs 2 and 7).

Technical, and Vocational Correspondence Courses.

Vocational correspondence courses prepared, revised, printed and serviced by the provinces were supported dollar for dollar by the Federal Government provided that the courses so assisted would be made available to residents of other provinces at no additional charge. Federal payments under this section of the Agreement were relatively small.

Apprenticeship Training Agreement. The Apprenticeship Training Agreement in effect at the introduction of the TVTA legislation continued as a separate agreement until March 31st, 1964. The agreement was then extended to coincide with the expiry date scheduled for the TVTA Act; i.e. March 31st, 1967.

What was "New" About the TVTA ACT?

In addition to co-ordinating and integrating various federal arrangements in support of technical and vocational education under one agreement and adding teacher training as an area for federal support, there were two essential differences between the TVTA Act and the legislation which preceded it. These were:

- (1) the proportion of the federal share of cost-sharing of technical and vocational education facilities (Buildings and equipment) had been raised from 50 to 75 per cent;
- (2) in seven of the initial nine programs the Federal Government had not imposed a ceiling on its contributions;

Circumstances related to the inclusion of these "new" features will be examined in turn.

The change in the federal portion. The major reason for increasing federal contributions to facilities from 50 to 75 per cent appeared to be the belief that the increase would attract much greater provincial response than in the past. Further, the evidence indicates that the

decision was made at the ministerial level of the government. Starr noted that the previous rate had been in effect for some time, but:

... This evidently was not sufficient to encourage the provinces to provide the facilities necessary for the development of the level of skills required. So consequently I approached the Cabinet and the Prime Minister of that time to raise the federal contribution to 75 per cent with the provinces contributing 25 per cent leaving the municipalities without any burden of financial responsibility for expenditures for this type of construction (40).

Haythorne recalled two occasions in the fall of 1960 when the subject of the proportion of federal assistance to technical and vocational training had been discussed. In one instance Starr, Ford, and Haythorne had been the participants, in the other Diefenbaker, Starr and Haythorne.

On each of these occasions, the suggestion was made that if we were really going to make an impression we should seriously consider going to 75 per cent. Both Mr. Starr and Mr. Diefenbaker accepted this level and it was later incorporated in the bill (27).

An interesting exchange in parliament in the previous March revealed that Starr had given some thought to increasing the federal contribution some nine months prior to the announcement of the new legislation. Pickersgill had suggested that the government consider increasing its contribution to the Winter Works program from 50 to 75 per cent. To the evident annoyance of Pickersgill³⁶, Starr interpreted the suggestion as raising the rate of federal

³⁶Pickersgill accused Starr of being deliberately obtuse (22, 1960, Vol. 2, p. 1700).

participation for construction of vocational schools and readily agreed in principle with the "recommendation" (22, 1960, Vol. 2, p. 1700). It may be noted as well that the Vocational Training Advisory Council had for a number of years pressed for an increase in the proportion of federal support and that Starr was inclined to take the council "seriously" (18).

Why "open-ended" programs? Quota restrictions were removed from seven of the nine programs of the TVTA Act. In the course of the research three explanations came to light as to why no ceilings were imposed. These were:

- (1) The Federal Government did not anticipate the extent to which the provinces would enter into the Agreement. This point will be examined in greater detail later in the dissertation.
- (2) Experience with the Winter Works legislation -- an open-ended, shared-cost scheme -- had seen successful use of a non-quota plan for assisting unemployment. Projects presented to the government for support in both the TVTA Act and the Winter Works bill required federal approval and in this sense "control" in theory remained with Ottawa.
- (3) The arrangement was designed to induce rapid provincial response and at the same time avoid "threatening" the provinces with ineffectual penalties.

This final point requires elaboration. In order for the new Act to have some immediate effect on unemployment, it was necessary that the provinces be stimulated to get projects underway as soon as possible. The legislation

specified that the 75-25 split was to be in existence for only the first two years of the six year life of the Act. Thereafter the distribution was to be on a 50-50 basis (3, p. 4). Previous federal experience with "crash programs" had shown that once a definite quota had been set for each province, projects often proceeded at a snail's pace until each province had finally claimed "its" money.³⁷ Penalty clauses, had, in the past, been over-ruled. Thus the distinct possibility existed that the provinces would not feel seriously threatened by time limits imposed on them in regard to laying claim to a pre-determined sum of money which was "theirs" on the basis of a quota set according to a criterion such as the number of 15-19 year olds resident in the province. An open-ended program with no specified quota was another matter. The possibility existed that if a province failed to move rapidly, it might well lose out on obtaining a reasonable share of the "25 cent dollars".³⁸ This view was shared, and in fact encouraged, in the Training Branch.

... You see there's always a reaction to that sort of action (open-ended programs) on the part of a government. If the program gets going well

³⁷ It will be remembered, for example, that vocational funds allotted for the ten year period 1919-1920 were eventually distributed over a thirty year span (Chapter IV).

³⁸ The term "25 cent dollars" was commonly used in Ottawa and in the provinces in reference to the funds available under the 75-25 cost-sharing provisions of the Act.

someone is bound to say that we've got to have some sort of limit on the thing and then the government lowers the boom.

... I recall many times provinces wondering whether they should go ahead with a certain program or project. My advice always was, "Get it in place now. Get it going. You never know when the boom might be lowered (19).

A further question which arose in the course of inquiry was, "Why had an equalization factor based, for example, on ability to pay, not been introduced into the grant structure?" Reactions from federal officials close to the Act varied from comments that transfer payments were more appropriate than shared-cost programs for "equalization" to suggestions that it was politically unwise to vary rates from province to province. The former Minister of Labour, took a different view as the following remarks indicate.

Question: Some provincial foundation programs for education have a formula for giving higher grants to a poor area, lower grants to rich ones. There was no equalization in the TVTA Act. Was this ever given any consideration?

Mr. Starr: No it was not because, as I've said, we didn't want to encroach upon their jurisdiction. Our part in it was to say, "Here we are prepared to pay 75 per cent of the cost of a new building or an addition and you as a province under the agreement must pay 25 per cent with no financial obligation to the municipalities, as there normally was, in order to encourage the construction of schools." It's your jurisdiction. You're going to have to determine where you are going to put the buildings, the type you will build, and how large the facilities (40).

Controversy

This final section of Chapter V is concerned with an examination of the arguments, principally those voiced in parliament, related to the introduction of the Act. It may be recalled from Chapter III that the intention was to initiate an examination of the controversy through exploration of certain "general arguments". These arguments, in brief, dealt with: the question of vocational education as a "national" good; the subject of equity; grants as a means to support provincial responsibilities; exchange between governments of one service for another; the issue of federal control of education; and, the intrusion of "big government".

It was anticipated that a review of parliamentary debates and other documents would reveal the posture of parliament on the general topic of federal aid to education. Further, it was expected that a search for the various arguments Benson cited as common to the United States in regard to federal aid to education might prove valuable in understanding the Canadian situation. In addition, it was anticipated that the constitutional issues implicit in the TVTA legislation would receive some considerable attention. Finally, it was believed that an analysis of the various arguments, rationales, and general controversy would reveal parliament's attitude in regard to Breton's theory of the use of conditional grants in the Canadian federal system.

While arguments were raised in parliament and the

various questions noted here did prove useful in the examination of such arguments, on the whole, the assumption that the introduction of the TVTA Act would stir a thorough and far-reaching review of grants-in-aid, shared-cost programs, and the federal role in regard to education proved to be unwarranted.

There are a number of reasons why the depth and range of the parliamentary debate relevant to the introduction of the TVTA Act failed to deal in depth with the issues noted here. These reasons include the following:

- (1) The Conservative government held the largest majority in the history of the Canadian parliament. Sheer weight of numbers (208 of 265 seats) militated against the possibility of the Opposition mounting a sustained attack against "objectionable" legislation, much less prepare a careful dissection of what likely appeared at the time as an inoffensive, even welcome measure. Further, of Quebec's 75 seats, 50 had gone to the Conservatives and 25 to the Opposition. Thus the customary source of constitutional questioning, while not extinguished, had been muted.
- (2) Unemployment had been portrayed by the Opposition as the most pressing problem facing the nation. Thus it was unlikely that the Opposition would be inclined to spend much time on questioning legislation designed to relieve unemployment lest it be labelled as obstructing such relief.
- (3) One of the points raised by Liberals early in the debate was that the legislation was in fact, a continuation, with some admitted improvements, of statutes previously developed by a Liberal government (22, Vol. 1, 1960-61, pp. 234-35).

With the Liberals taking this position, a penetrating discussion of basic issues in the House was rendered unlikely.

Further, recorded in the parliamentary debate of the previous July was the expressed willingness of the Liberals to support increased government assistance to technical and vocational training (22, Vol. VII, p. 7303).

- (4) The legislation did not receive news media recognition as an item of major interest to the nation.³⁹ As will be noted later, the estimated expenditures over the six year period of the Act, as suggested in parliament, were hardly of a size to excite great comment.
- (5) The unilateral introduction of the legislation limited the opportunity for national debate on the Act. The legislation was a fait accompli before the junior partners to the argument, i.e. the provinces, had an opportunity to present their views. Starr's comments on introducing legislation are instructive. In response to a question concerning implementation of legislation, specifically, shared-cost legislation, Starr stated:

It seems that there is a more tortuous road towards that sort of thing now. They seem to think that you have got to have a conference before you do these things. I think its wrong because its like trying to fluoridate water in a city. When you put it up for discussion the water doesn't get fluoridated. On the Sunday liquor or sports question, the more you talk about it, the more difficult it gets.

When asked if consultations had taken place with the provinces in regard to the TVTA Act, Starr responded:

... we in fact did not consult as they do now where they have conferences prior to the event. We felt we could proceed on the basis of the information we had through our Branch.... plus our Advisory Council which had representatives from the provincial governments (40).

³⁹ A major interest item, to judge by the press reports of the late 1960--early 1961 period, was the "Coyne affair" in which the strained relationship between the Governor of the Bank of Canada, and the Conservative government was given considerable prominence in the news emanating from Ottawa.

Further to the matter of unilateral introduction of the legislation, provincial representatives (who were judged to be in a position to know) from Alberta, Saskatchewan, Ontario, Quebec, Nova Scotia, and Newfoundland were queried as to whether there were any discussions prior to the introduction of the TVTA Act or whether they had any advance warnings or indications about impending government legislation in vocational education. In each case the answer was in the negative.

Thus, without a preceding Federal-Provincial dialogue, the Opposition appeared somewhat at a loss as to how the TVTA legislation might be received in the nation at large. Platitudes about the "value of education" and admonitions to "stay in school" too often held sway instead of a searching debate on the role of the Federal Government in vocational education.

Parliamentary debate of the TVTA bill. For "legislation proposed" to become "legislation in law", a bill involving the expenditure of public funds must first be introduced as a resolution by the Minister concerned.⁴⁰ Once the resolution has been accepted by the House of Commons it is presented for "first reading". There is no debate at this point and, if parliament votes the "reading" the bill is

⁴⁰Reference 28, How Parliament Works, was used as a basic guide to parliamentary procedure in Canada.

printed and distributed to the members for review. On a subsequent day the principle, but not the specific provisions, of the bill may be debated. Once "second reading" has been granted the legislation it is reviewed clause by clause until all clauses and amendments, if any, have been carried and the bill receives "third reading". The bill, as an entity, is then put to the House and, if passed, proceeds to the senate for what is normally perfunctory consideration prior to receiving the even more perfunctory "Royal Assent".

It may be seen from the above outline that the debate shifts from a consideration of principles to a review of specifics. The examination of the debate follows a like pattern to retain the original flow of the arguments.

On November 25, 1960, Michael Starr introduced the TVTA bill, as a resolution, to the House (22, Vol. 1, 1960, p. 231). He gave the following reasons for its implementation.

- (1) The bill was designed to undergird the governments program to increase employment and foster national development.
- (2) Canada's dependence on immigration would be reduced.
- (3) A national requirement existed for a more highly trained labour force.
- (4) A need existed to upgrade or retrain many of the present members of the labour force.
- (5) Present technical training facilities (post-secondary) provided for only 8,000 individuals, well below the required number (Ibid.).

The resolution was debated at three sittings of parliament before receiving first reading on December 6, 1960. Contributions to this phase of the debate, for the most part fell into three categories: (1) commentary extolling the forthcoming legislation; (2) remarks concerning educational aspects of the bill, (3) comments and questions regarding the principle of the bill vis-a-vis the constitution.

By far the majority of the speakers in the three days of the debate praised the principle of federal support for vocational training.⁴¹ This support was usually accompanied by reference to a belief that the bill would help relieve unemployment. While such favorable comment understandably enough issued from government members, one representative or more from each party in the house expressed firm support of the resolution under discussion (Ibid., p. 231 ff).

A number of remarks concerning specific educational aspects of the forthcoming bill were made by House of Commons Members. The remarks were often prefaced with an acknowledgement that "education was a provincial affair". Despite this self-imposed injunction, speakers in this second category often followed their avowal of provincial autonomy with quite specific suggestions as to how the federal funds might be used. For example, Miss Aitken, then a Minister of

⁴¹The term "education" was used by the members as frequently as the more circumspect "training".

the Crown, suggested that more guidance counsellors be provided in regular schools to encourage entry into technical trades. Douglas Fisher (CCF) expressed reservations about technical training in high schools and suggested that technical training at the post high school level was more desirable (Ibid., p. 536). A government member from Saskatchewan gave specific instructions as to where he felt new vocational schools should be built in his province and what size they should be (Ibid., p. 541).

In the third category (constitutional commentary) two general themes were dominant. In the first instance, opposition members (Liberals) pressed the government for assurances that the provinces had been consulted prior to the development of the legislation. Secondly, various members offered their support to the principle of the bill regardless of any constitutional objections. Speakers taking a firm stand against the bill on constitutional grounds were conspicuous by their absence.

Theme One: Federal-Provincial Communication. In response to questioning by Lionel Chevrier (Liberal), Starr stated that there "had been communication by my department about this (the TVTA bill) with the provinces" (Ibid., p. 233). Further, he again stressed that the provinces had representatives on the Advisory Council (Ibid.). When pressed further by Chevrier as to whether any communication at the ministerial level had taken place, Starr replied in the negative (Ibid.).

Theme Two: constitutional considerations. The Liberal attitude to the constitutional aspects of the bill was portrayed by Caron (a Quebec Liberal). The legislation was, in his view, only a belated continuation of the previous Liberal program (Ibid., pp. 234-235). Caron, apparently speaking for the Quebec wing of his party, expressed acceptance of the legislation "as we had approved of what the Liberal party had done in the past" (Ibid., p. 235). He giped the Quebec Conservatives for their silence on the constitutional question. Reminding the members that education was exclusively a provincial matter he challenged the Conservative Quebec members to state clearly whether they objected to this legislation as they had to "Liberal intervention in education" (Ibid.). His remarks failed to draw fire from the government members. The constitutional challenge was not taken up.

Speaking for the government, an Alberta member (Horner) attempted to discredit any suggestion that the grants might be a federal invasion of the field of education.⁴² His argument was that since the program was of a shared-cost nature, the grants could only be obtained at the "request" of the provinces (Ibid., p. 468-469).

Other government members expressed the sentiment that, while provincial autonomy in education should be recognized, federal-provincial collaboration was a useful and necessary

⁴²Horner himself raised the invasion "issue" as a hypothetical question.

device for advancing the cause of technical training (Ibid., p. 466).

Constitutional commentary from CCF⁴³ representatives was far less charitable of provincial jurisdiction in education. Pitman (CCF) expressed the hope that the government's initiative would "be a first step toward a whole new concept of the responsibility of the Federal Government in the education and training of our youth" (Ibid., p. 472). These and similar remarks⁴⁴ went unchallenged. Constitutional champions simply failed to take the floor.

One further point, however, was brought up at this early stage of the debate. Fisher (CCF) warned against expecting any immediate benefits as regards the unemployment situation from what was essentially a long term investment (Ibid., p. 538). Later in the debate, as will be noted, the Liberals, having committed themselves to the measure by claiming earlier parentage, seized the argument of "immediacy" in an attempt to score the Conservatives for failure to take action of a more direct nature against unemployment.

Having received first reading (December 6), the members now had access to printed copies of the legislation and, with

⁴³The CCF party later re-organized as the New Democratic Party (NDP).

⁴⁴Peters of the CCF stated that in a short time the concept of Canadian education rather than provincial education was going to be popular (Ibid., p. 472).

a motion before the House for second reading (December 7), were at liberty to examine the principles espoused in the bill itself.

Paul Martin, a senior Liberal, led the attack on the measure. The intrinsic value of the legislation was not denied. However, it was repeatedly labelled as merely warmed over Liberal legislation which, while valuable, did not meet the immediate need for relief of unemployment (Ibid., pp. 587-588). Other Liberals called upon the government to bear the entire cost of training the unemployed and to establish a federal institution to train vocational teachers to meet the anticipated demand.⁴⁵ (Ibid., pp. 597-598). Various government speakers took the position that the legislation was unashamedly "long term" but that immediate relief would be provided through training allowances to those now out of work and jobs would be created through the construction of new training institutions (Ibid., pp. 587-590).

Late in the debate on "principle" the Opposition raised an issue concerning shared-cost programs per se. The appropriateness of using shared-cost programs for the

⁴⁵ These suggestions contained both futuristic and historical elements. The legislation which replaced the TVTA Act provided for 100 per cent federal reimbursement for certain types of training while a "national institution for technical teachers" had been suggested during the course of the Act of 1919 (Chapter IV).

relief of unemployment was questioned. How effective would such measures be when the use of the program was dependent upon the financial ability of the various provinces to meet their share of the approved projects? (Ibid., p. 603).⁴⁶ There was no government reaction to this question. On the 9th of December the bill was given "second reading". Thus without a debate of any depth or degree on constitutional issues or on the use of shared-cost programs in Canada, the federal proposal received "approval in principle".

The various clauses of the bill were now open to specific examination by parliament. Pickersgill of the Liberals dominated the inquiries voiced by the Opposition. He called upon Starr to produce specific figures as to: (1) the present capacity and use of existing facilities; and (2) the estimated number of additional places which would be required in the provinces to meet Canada's training needs (Ibid., pp. 675-676). Starr's answers were less than specific. On the basis of conferences with the provinces, in particular Ontario, it was felt, according to Starr, that present capacities should be increased by 50 per cent (Ibid.).

⁴⁶This issue, perhaps naturally enough, was raised by a member from Newfoundland (C.W. Carter - Liberal) who suggested that even with a 75 per cent rebate his province could ill afford to take advantage of the Act. As will be seen later in the dissertation, what Newfoundland "could afford" was in sharp contrast to what was done in that province.

This reply was unsatisfactory in Pickersgill's view. What was the figure which was to be increased by 50 per cent? (Ibid.). Starr replied that the Dominion Bureau of Statistics (DBS) figures indicated that 336,000 individuals had taken training in Canada's vocational and technical schools in 1958-1959. Pickersgill pointed out that some courses last for a few weeks, others for months and thus the answer was still nebulous (Ibid.). Starr declined to give any further breakdown and instead returned to the argument that his Department was basing its estimates on the needs expressed by the provinces:

... all we can do is take the word of the provinces ... they are the ones who say that they feel a 50 per cent increase in present capacity is necessary over the coming years (Ibid., p. 677).

Upon this reply Pickersgill accused the government of having no specific facts about the capacity of present facilities nor of the numbers ultimately needed. The government, he suggested, was irresponsible to consider spending public money without this information (Ibid., p. 678). Other Members of the Opposition continued to harangue the government for more specific data. Starr then presented the following figures as "estimates of the provinces for their requirements⁴⁷ up until March 31, 1967" (Ibid., p. 681).

⁴⁷In reply to a question, Starr stated that these estimates held for capital expenditures only (Ibid.).

<u>Province</u>	<u>Estimated Requirements</u>
NFLD	\$ 4,300,000
PEI	200,000
NS	4,500,000
NB	5,000,000
QUE	30,000,000
ONT	15,000,000
MAN	6,000,000
SASK	3,000,000
ALTA	15,000,000
BC	7,000,000
Canada	\$ 90,000,000

The Opposition was still far from satisfied with the adequacy of the figures. How much training was being done at present? How much was needed in the nation? Starr's final reply left the decided impression that the authors of the legislation were dependent on the provinces for an assessment of the national need.

Every provincial department has made continued studies of this question over a number of years, and all these things are based on their experiences in the past and on what they expect in the future (Ibid., p. 683).⁴⁸

Towards the end of the debate the legislation was criticized again for failing to make provision for provincial need as compared with ability to pay. Martin (Ontario--CCF) held that a basic weakness of the legislation was that:

...it is geared, not to meet the problem as it arises in the provinces but rather to have the Federal government match whatever the provinces can raise through whatever facilities they have at their disposal (Ibid., p. 681).

⁴⁸As will be noted later, this rather sanguine belief that the provinces had made a reasonably accurate forecast of their needs was not uniformly shared at Ottawa.

Pickersgill raised the final objection as far as the Liberal Party was concerned. He did not contest the value of the training of Canada's present and potential labour force but felt that in regard to those currently unemployed the legislation did not go far enough.

... we feel that the bill should provide that the unemployed person who receives training will have the total cost of their training defrayed out of the federal treasury. We feel that this is a national responsibility, and that it should have been assumed by the nation. We believe that it will not be too long before this, or another government, comes back to this house and asks to have that done, as I myself observed on a previous occasion, in the case of the training and the education provided for veterans at the end of the war (Ibid., p. 712).

Pickersgill's prophecy, as it shall be seen, was extremely accurate.

Shortly after this forecast, bill C-49, "The Technical and Vocational Training Assistance Act," was put to the vote and, without a single recorded "Nay" was passed by the House on December 12, 1960.

The bill then went to the Senate on December 13th for review by that body. The debate in the upper house was conducted by only a handful of speakers. No new arguments were raised by the participants. However a carefully worded, well documented case was presented by Senator W.H. Wall for the adjustment of the Federal Government's contributions according to the tax-paying ability of the recipient province (21, December, 1960, pp. 147-149).

The Senate committee which scrutinized the bill in

detail offered no amendments. With the comment that the legislation was by no means "earth shaking" it was given third reading on December 14th and Royal Assent on December 20th (Ibid., p. 154, p. 210).

Summation of the Arguments

Parliamentary debate on the TVTA bill generated a greater total amount of praise than criticism. Nevertheless a number of arguments were raised. It may be recalled from Chapter III that the controversy surrounding the introduction of the Act was to be opened for exploration through the examination of certain "general arguments", presented in the form of questions. These questions and a review of the findings follow.

(a) Was vocational education regarded as a "national good" whose purchase was to be encouraged by the central government?

In the sense that an immediate relationship was seen to exist between the training possessed by a worker and his opportunity for employment, vocational education was for the most part regarded in Parliament as a "national good". Unemployment, as has been noted in this dissertation, was held to be a federal responsibility. As long as the issue of unemployment remained of central importance to parliament, and a means to its relief was seen in vocational education, the national status of this type of training remained sacrosanct. Not only was training to be encouraged in the provinces, but, according to the official opposition, the

training of the unemployed should become the sole responsibility of the federal authority.

(b) Was the ethic of equity (social, fiscal, or both) considered in parliamentary debate?

Only limited attention was given to the question of equity. The argument raised by the Opposition followed Lees' view (Chapter II), that matching grants tend to be disequalizing in that well endowed jurisdictions can take greater advantage of the assistance than less wealthy areas. The Conservative response to this charge was somewhat indirect. The government argued that since education was a provincial affair the extent of participation was really a decision to be made by that level of government. The accusation that those areas with the most unemployment were the least able to make use of the TVTA "Cure" was never directly responded to by the government.

(c) Was the grant scheme offered as a means whereby the provinces could be given sufficient resources to meet their responsibilities in education?

The parliamentary debate reflected a less generous view. The grant scheme was offered to the provinces with the expectation, indeed the qualification, that the funds would be used by the latter level of government to assist the federal authority to meet its responsibility for employment. At no time in the debate was the suggestion made that the funds were being advanced to the provinces so that they might have the financial resources to discharge their

constitutional obligations. The money was provided for the purpose of meeting a federal dilemma, unemployment. Nevertheless, it would not do justice to the debate to leave the impression that the federal parliament was concerned with the statistics of the jobless to the exclusion of the development of the individuals concerned. Time and again, from both sides of the house, the point was raised that the legislation would be of enormous value to the humans involved as well as to the economic stature of the nation.

(d) Was the program intended as an exchange for services rendered the Federal Government by the provinces?

There was never any indication that a "barter" concept was implicit in the legislation. Nevertheless it was anticipated that the provinces would be rendering a service to the Federal Government (reducing unemployment) through participation in the program.

(e) Were fears voiced that the legislation would lead to federal control of education?

It was anticipated that this point would be a matter of some concern to the parliamentarians. In fact, the issue was virtually dormant. More arguments were presented to the effect that Ottawa should be further involved in education than complaints made that the government was going too far. The provinces had an option as to whether they would participate or not, thus there was no "control"; or so went the argument.

(f) Were objections raised to the effect that the scheme would be inefficient or that the programs represented intrusion by "big government"?

The government was criticized by the Opposition for failing to present to parliament figures which would indicate the capacity of the present institutions plus an estimate of their prospective needs. The government's statement to the effect that the legislation was designed to bring about a "50 per cent increase" was challenged as imprecise (50 per cent of what?). Thus there was some suggestion that the government was being irresponsible in using public funds to proceed toward an ill-defined goal.

The government was also condemned for not going far enough in its plans for training the unemployed and in this regard its "efficiency" might be questioned. Further, the legislation was "too long range" and, in the Opposition's view, would not meet the immediate national problem of unemployment. Other than criticisms of this nature, the questions of "efficiency" or "big government" were not raised.

Constitutional arguments. A further objective of the analysis of the debate at the federal level during the initiation of the legislation was to review the constitutional arguments which, it was felt, would be generated by the introduction of the TVTA legislation. As has been noted, references to the appropriateness of the legislation vis-a-vis the constitution were virtually non-existent. While it

was not an objective of this thesis to examine the reaction of the various provincial legislatures (the investigation centered on the federal level), a sample of newspapers⁴⁹ was reviewed for their commentary.

Editorials in the eastern papers surveyed welcomed the legislation as meeting a genuine need in Canada's development. On December 23rd, the Toronto Globe and Mail classed the new bill as one of the two most important pieces of legislation of the fall session. (The other was the formation of a Productivity Council). (42, December 23, p. 6). On the same date the Montreal Star chided the Quebec government for letting Ottawa continue to assume full responsibility for unemployment through this and other legislation (32, p. 8). In the two western papers reviewed (Winnipeg Free Press, Vancouver Province) the legislation was reported as being passed but no editorial comment was made.

A final objective of the analysis of the federal debate, arguments, and rationale accompanying the introduction of the Act was to see if Breton's theory regarding the necessity of conditional grants in Federations for the purchase of an optimal quantity of goods with spill-over effects was reflected in or appeared as a factor related to the initiation of the legislation.

⁴⁹The Toronto Globe and Mail, Montraal Star, Winnipeg Free Press, Vancouver Province.

During the parliamentary debate a degree of criticism was leveled at the provincial systems of education with respect to their emphasis upon the preparation of a minority of students for university trained professions and their apparent neglect of those not so inclined. Comments by Senator Wall in the Upper Chamber were particularly sharp. (21, 1960, pp. 144-147). Thus the implication was made that national needs in regard to technical and vocational training were not being met by the provinces. However, the recognition tendered such training was clearly in association with the immediate problem of unemployment.⁵⁰ Training was seen as one of a number of means to meet this responsibility. To this end the Federal Government appeared bent on using its resources to rectify an unwelcome situation. Parliamentary debate was thus concentrated upon the aims and objectives of Bill C-49 to the virtual exclusion of any debate upon the use of conditional grants per se as instruments to be used by the Federal Government to ensure that a good, such as technical and vocational training, which has a potential spill-over effect, is purchased in sufficient quantity to meet national needs. Later, as will be seen, the subject of conditional grants was to take on an importance not evident in the debates of December, 1960.

⁵⁰ Educational levels and productivity were later to receive considerable attention from the Economic Council of Canada following its formation some two years after the initiation of the TVTA Act. (See particularly Reference 17).

SUMMARY OF CHAPTER V

Chapter V's topic, the genesis and initiation of the TVTA Act, was divided into two major areas for examination: (1) circumstances surrounding the genesis of the Act; and (2) the controversy attending its initiation. Meranto's "Model of Legislative Change" was used to explore the first area. Environmental changes, as viewed in the model (see Chapter II), include "circumstantial conditions" and "Major Demand Articulators". Under the former heading, rising unemployment occasioned or accompanied by a number of factors including the post-war "baby boom", less immigration, a shift in occupational patterns and other factors noted in the Chapter, were seen as the principal conditions related to the genesis of the legislation. "Major Demand Articulators" such as parliament, the Gordon Commission, and interest groups within the Department of Labour were considered. Changes within the legislative system included the election to power of the Conservative government in 1957, followed by a massive mandate in 1958. Directly associated with these political changes was the occupancy of positions of power by Diefenbaker and Starr who were thus able to play an active role in the translation of a concern for adequate technical and vocational facilities into concrete endeavours.

The second major section of Chapter V was devoted to a review of the controversy which, it was anticipated, would accompany the formal initiation of the legislation. The

examination focused on the parliamentary debates in the House of Commons. A set of "general questions" were used as the framework for analysis.

While constitutional arguments and questions regarding the use of shared-cost programs were raised, they were not central topics of the debate. Instead the Opposition, particularly the Liberals, placed emphasis upon a need for more immediate measures in the relief of unemployment and cast doubts upon both the amount of preliminary analysis which preceded the legislation and the clarity of the objectives of the bill. It will be seen in the chapter which follows (Chapter VI) that certain of these doubts were well founded.

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CHAPTER VI

THE TVTA ACT IN EXECUTION

The analysis of the TVTA Act continues in Chapter VI with a review of its execution through 1961-67. The related problem (number 3) under examination in this Chapter is the following:

What expenditures on technical and vocational education were made under the various provisions of the Act?

The intention was to examine these expenditures in an attempt to learn how the Act was executed as a federal grant scheme in a particular field of education.

The above problem was attacked through five exploratory areas outlined in Chapter III. These areas dealt with an examination of:

- (1) program provisions and classification of the grant schemes used;
- (2) amendments to the Act;
- (3) federal contributions to the provinces under the TVTA Act;
- (4) the contention that matching grants favour the wealthier recipients; and
- (5) the proposition that federal grant programs tend to become relatively permanent commitments.

These exploratory areas opened up very broad expanses for study. The final area (number five), for example, led to an examination of the demise of the TVTA Act. This proved to be such an important aspect of the total history of the

Act that it became the subject of a separate chapter (Chapter VII). Again, in the interests of coherence, it was decided that the data obtained through the research of the related problem would be presented in a generally chronological order and thus not necessarily follow the order of the "exploratory areas". Section headings for Chapter VI are thus as follows:

- I. The TVTA Act Underway;
- II. TVTA Expenditures: 1 April 1961 - 31 March 1963;
- III. Major Amendments to the TVTA Act;
- IV. TVTA Expenditures: 1 April 1961 - 31 March 1967;
- V. Chapter Summary.

I. THE TVTA UNDERWAY

Three areas of interest related to getting the TVTA underway are examined in this section. During the House of Commons debate the Minister of Labour submitted what he described as provincial estimates of their own needs in regard to capital expenditure requirements for technical and vocational education. The estimates come to a total of \$90,000,000 (23, Vol. 1, 1960-61, p. 681). The first topic in this section is concerned with how this figure was obtained. The second topic involves a close look at various provisions of the legislation while the third subject of this section has to do with a classification of the grant scheme.

Provincial Estimates of Vocational Education Expenditures

The figure of \$90,000,000 as an estimate for provincial capital needs for the life of the Act was voiced in December, 1960 by the Minister of Labour (Ibid.). In May of 1961, in preparation for Commonwealth Technical Training Week (May 29th to June 4th) an official of the Vocational Training Branch gave a further estimate of anticipated provincial needs for expenditures in vocational education.

His remarks were as follows:

Early last fall (1960) the Department of Labour was asked to gather information on a national basis concerning the requirements for training in all areas. Its officials were asked what facilities were available then, what new accommodation was required, what equipment and personnel were required to put the expanded program into operation and to maintain it in operation. Accordingly the provinces were asked to estimate their possible expenditures for the next ten years. After considerable study of the needs of the ten provinces and a concentrated look into the crystal ball we came up with an estimated cost of \$190 million which I will admit startled us but apparently did not startle the Cabinet (5, p. 11).

There were thus two estimates available in Ottawa at the start of the TVTA Program.¹ Provincial needs by way of capital expenditures were estimated at \$90,000,000 while capital and operating costs for a ten year period were forecast as \$190,000,000. A question pertinent to this dissertation was, "How had the Federal Government obtained these estimates?"

¹The TVTA Act came into effect on April 1, 1961.

Officials from four provinces (Alberta, Quebec, Ontario, Nova Scotia) were queried as to their awareness of any federal survey of provincial needs in technical and vocational prior to the introduction of the TVTA Act. In one province (Alberta) the Minister of Education, the Deputy Minister and the Director of Vocational education were all asked if they were aware of any such survey. The replies of these officials² and those of all other provincial people to whom the question was put was in the negative. It remained for the former Director of the Training Branch at Ottawa (Ford) to clear up the matter. The "survey" had been largely informal. Approximately six months prior to the introduction of the Act, Ford has written each provincial Director of Vocational Education (or his equivalent) requesting these men to estimate their foreseeable training needs (19). But, as Ford put it "... when we looked at the provincial figures it was obvious they were out of line and had not answered the question." (Ibid.). In Ford's view the figures he had received were cautious estimates of "what was likely to be spent rather than what the provincial director, as a civil servant, felt should be spent." (Ibid.).

²The reply of Alberta's Deputy Minister of Education was instructive, "... nothing so logical as that. I don't think there was ever a study of needs except in a gross way." (8).

Question: Is this why the figure was so low?

Dr. Ford: That's right. So when I gave it to government I doubled it (underlining mine) and as it turned out I was also low as you know (19).

The \$90,000,000 figure Starr presented to Parliament was thus the summation of the estimates which Ford had received from the provincial Directors. The \$190,000,000 estimate issued by the Department of Labour in May of 1961 was the Training Branch Director's own perception of the national needs in technical and vocational education.³ The Minister of Labour, apparently, was not taken aback at the difference between provincial and federal expectations as the following comment from Ford would appear to indicate:

I recall giving Michael Starr the estimate of a couple of hundred million and his reply was, "I don't give a damn if it's four or five hundred million, if we need it, lets have it!" (Ibid.).

Later in this chapter a comparison will be made between the estimates presented here and the expenditures actually made under the TVTA bill.

Directive Aspects of the Legislation

It was pointed out by an official of some seniority in the Department of Labour that prior to the development of the TVTA Act the Department was concerned that some provinces would not embark upon a capital program if it was evident that "they would be stuck with operating those

³The \$190,000,000 figure was double the provincial estimate plus \$10,000,000 "leeway".

institutions on their own" (25). Support for the operating costs of the institutions was considered a necessary part of the legislation (Ibid.). However, an examination of the legislation revealed a discrepancy in the support for operating costs available to one type of institute as opposed to another.

For the first two years of the Act all approved capital expenditures were supported on a 75 - 25, no quota basis. The operating costs of post-secondary technical institutes and of trade schools and "special institutions", which provided trade or pre-employment training for persons of fifteen years of age and over who were no longer in the regular school system, were supported on a 50-50 basis. The support was to extend through the life of the TVTA Act and was not limited by a quota. The vocational sections of composite schools, on the other hand, while entitled to the same capital assistance benefits as other institutions were limited in the total amount of operating support they might receive.⁴ Under Program 1 (Vocational High School Training) a total of \$15,000,000 was provided to the provinces over the six year life of the Act. The money was allotted on a 50-50 shared-cost basis up to the maximum of the provincial quota (calculated on the basis of the 15-19 year old population). Operating expenses thereafter were borne

⁴It may be recalled that the details of the various programs were outlined in Chapter V.

entirely by the province concerned. Thus, if a province decided to provide students of secondary school age with vocational training in composite schools as opposed to trade or "special" schools, the federal support for the former type (composite schools) could be substantially less than the latter.

The province of Alberta is a case in point. Throughout the duration of the TVTA Act Alberta received its full allotted quota of operating costs for vocational high school training (Program 1). This training was conducted in composite high schools. Despite the fact that all the available federal support for operating costs of vocational training in composite schools was being claimed, Alberta opted to increase the number of these schools during the course of the Act. As a consequence the proportion of federal support versus actual expenditures on operating costs diminished rapidly. The data in Table III illustrate the point.

It can be seen from Table III that the imposition of a quota on federal support of operating costs for vocational training in composite schools in Alberta meant that by 1964 Ottawa's contribution had fallen to less than 10 per cent of actual costs. For the three years noted in Table III, Alberta received a total of \$641,200. Had the Alberta schools qualified as trade or special education institutions -- which received 50 per cent operating cost

TABLE III

FEDERAL CONTRIBUTIONS TO VOCATIONAL TRAINING COSTS IN
ALBERTA COMPOSITE HIGH SCHOOLS 1961-62 TO 1963-64

Year	Actual Vocational Training Operating Costs (High Schools)	Federal Contri- bution	Per Cent of Reimbursement
1961-62	\$ 707,600	\$214,200	31.5
1962-63	837,804	213,500	27.4
1963-64	2,223,357	213,500	9.6

Source: Reference (3) for years concerned.

support without a limiting quota -- the province could have claimed \$1,824,380 (50 per cent of its actual expenditure of \$3,768,761). The financial bias in favour of trade schools and special institutions is obvious.

When queried as to the directive nature of the legislation, Starr expressed no concern as to the type of institutions the provinces decided to develop with federal support (32). However, various federal officials who had been associated with the legislation were not as complacent about "non-directed" provincial use of funds as was the then Minister of Labour. Understandably, federal civil servants were reluctant to be quoted as supporting the contention that the TVTA Act had been deliberately structured to induce the provinces to provide vocational training in one type of institution as opposed to another. Nevertheless, there was sufficient "off-the-record" comment for the writer to believe that the contention was well

warranted.

Ford's comments of the relative merits of trade versus composite schools are of interest in this regard.

I would have to say that I was very much more sympathetic to the development of adult training programs than I was to secondary school programs because secondary school programs do not today, nor will not in the future, -- except for a few subjects like commercial work -- prepare a student adequately to take a place in working life (19).

Commentary from the provinces supported the view that the Act had been constructed to foster a particular type of institution at the secondary school level. An official from one of the Atlantic provinces stated that his province had changed the structure of its vocational education offerings in order to obtain the federal grants for operating costs (Category B). Officials from two comparatively wealthy provinces stated in the course of respective interviews that they were convinced from their experience with the national situation that in certain less wealthy provinces the decision to construct trade as opposed to composite type schools was significantly influenced by the availability of quota free 50-50 operating cost support for the former institutions (Category B). In Alberta composite schools had been a feature of the educational scene for many years. The decision to invest further in this type of school under the 75-25 capital cost support was made, according to an Alberta official, despite the limited federal support of operating costs and in the face of

objections from Ottawa as to the value of comprehensive high schools (8).

In Ontario much the same circumstances obtained in regard to the decision to build composite schools instead of separate institutions for vocational training of students of secondary school age. The following remarks of an Ontario Department of Education official⁵ are indicative of the thinking:

... Now it cost Ontario a lot of money to go for the composite school rather than to build under Program 3 where you got a separate type of trade school.... But in Ontario we were turning our backs on the separate vocational school concept. We felt that the situation required a broadening of the whole definition of secondary education (32).

It would appear then that financial assistance under the TVTA Act was structured in favour of vocational institutions outside the regular school pattern. Further, the degree of persuasion was related to the financial resources of the recipient province. Wealthy provinces were able to ignore the inducement. To those provinces less well endowed the question of financial support was a factor of significance in decisions concerning the type of institutions to be built under the TVTA legislation.

Classification of the Grant Scheme

This third and final topic of Section I has to do with the classification of the grants offered under the

⁵Mr. N. Sisco, Director, Applied Arts and Technology Branch, Ontario Department of Education, Reference (32).

various programs of the TVTA Act. It was anticipated that more than one type of grant scheme might be available to support the array of programs provided in the legislation. However, with the exception of two programs, all of the grants available to the provinces were of the same type. The exceptions will be noted first.

Under Program 8 (Training for Federal Departments and Agencies) the Federal Government simply reimbursed the provinces in full for training given federal employees. Certain occupational training provided by the provinces to members of the Armed Services was included here. Payments made under these circumstances were reimbursements for services rendered and were thus of a contractual nature rather than a grant.

Under Program 9 (Student Aid) the Federal Government continued its practice of making outright grants to university students and nurses in training. These grants were unconditional in the sense that once an individual had qualified as a grant recipient, there was no direction as to how the funds were to be spent. The total amount of funds available under Program 9 was subject to a quota.

All other funds available under the various programs were assigned to the provinces as conditional grants. These grants were conditional in that a measure of direction was implicit in the spending of the money. It may be recalled that in Benson's taxonomy conditional grants were categorized

as: (1) general or specific; (2) equalizing or non-equalizing; and (3) fixed or variable grants (Chapter II).

In the case of the conditional grants under discussion, the grants were specific in that they could only be claimed for quite well defined expenditures as outlined in the Agreements made between Ottawa and the Provinces. Further, the projects which the provinces asked the Federal Government to support were subject to review by the Training Branch. Funds could be withheld pending provincial compliance with Ottawa's specifications. While there were instances of rather liberal interpretations from province to province of various provisions of the legislation⁶, there were also cases in which Ottawa required, and obtained, quite specific provincial reactions. A debate ensued, for example, between the Training Branch and officials in the Ontario Department of Education over the proposed size of the shops in the vocational wings of the Composite schools to be built under the Act. Ottawa's view, favouring large shop areas, prevailed (19, 26, 32, 35).

In regard to the second category of conditional grants (equalizing or non-equalizing), no provision was made for "equalizing" the grants in the sense that the

⁶An Atlantic province official noted in an interview that, somewhat to the chagrin of personnel in his Department, a neighboring province apparently had obtained TVTA funds through the device of labelling courses as "vocational" when in fact these courses were far from the specialized instructional areas in his own province had developed in compliance with the Act (Category B).

resources of the recipient were considered in determining the amount of the grant.

Finally, the terms "variable" and "fixed" are used by Benson to distinguish between conditional grants which are "matching" and "non-matching". Except for the outright grants already noted, the federal funds for the TVTA programs were all of the matching variety. A significant feature of Program 1 (Vocational High School Training) was that a quota was established for each province which the recipient could "earn" by matching the federal contributions dollar for dollar up to the allotted measure. Thus in a total sense the funds available under Program 1 were of the "fixed" variety. Aside from Programs 1 and 9 (Student Aid) no other quotas were initially established by the legislation. This meant that for the remaining programs the per capita receipt of federal funds from province to province was dependent upon the level of provincial expenditures. The grants were thus "variable" in every sense of the word.

II. TVTA EXPENDITURES 1 APRIL 1961-31

MARCH 1963

Section II is concerned with a review of expenditures made under the TVTA Act from April 1, 1961 to March 31, 1963. The latter date was important in that the 75-25 cost-sharing arrangements for capital projects were then due to end. The original legislation called for subsequent capital projects

to be shared on a reduced (50-50) basis to the end of the Act (7, p. 4).

The TVTA Act was to be in effect from April 1, 1961 to March 31, 1967. Actual cost-sharing arrangements could not begin between any given province and the federal authority until an Agreement had been signed between the two levels of government. These Agreements spelled out the details of the TVTA legislation and as such took time to prepare.⁷ However, in order to give early effect to the legislation the Federal Government stipulated that it would pay 75 per cent of capital expenditures incurred by the provinces on training facilities on and after December 20, 1960 (10, 1961, p. 78). Between that date and March 31, 1961 the Minister of Labour approved capital projects totalling \$4,311,517 (Ibid.). The Act appeared off to a good start. Events were soon to prove that these initial expenditures were but a pittance of what was to follow.

Provincial Response - The First Two Years

Two main points arose from an overview of the available data concerning TVTA expenditures for the 1961-1963 two year period. These were:

- (1) provincial response was considerable; and
- (2) the extent of provincial use of TVTA Funds was unanticipated by the Federal Government.

⁷The Agreements were not ready until the spring of 1961. (10, 1961, p. 78).

The response. That the response was large appears obvious from the following comparison between expenditures made by the Training Branch of the Federal Department of Labour before and after the Act. Training Branch expenditures (millions of dollars) in two fiscal years prior to the TVTA Act were:⁸

<u>1960</u>	<u>1961</u>	<u>Total</u>
\$8.12 million	8.44	16.56

Expenditures for the first two fiscal years of the TVTA Act:

<u>1962</u>	<u>1963</u>	<u>Total</u>
\$35.72	\$207.87	\$243.59

In the first two years of the TVTA Act the total expenditures of the Training Branch increased \$227,030,000 (1,370 per cent) over the two year total preceding the Act. Even this figure fails to give a full appreciation of the extent to which the Federal Government had increased its support to technical and vocational training. In addition to the \$243,590,000 transferred to the provinces by March 31, 1963 under the TVTA legislation, federal authorities had also approved expenditures on capital projects which would not be completed by that date but would still be honored on the 75-25 cost-sharing basis in effect for the

⁸Calculations made from Annual Reports of Department of Labour for years concerned (Reference 10). Federal contributions to the Apprenticeship program are included.

first two years of the Act. These approved expenditures totalled \$125,900,000 more than the funds already paid.⁹ Thus federal funds both spent and committed in the first two years of the TVTA Act totalled \$369,490,000. The increase over the two year total preceding the Act was no less than 2.131 per cent. In terms of both gross amount and per cent of increase, the expenditures can justifiably be described as significant.

Unanticipated extent of reaction. There are a number of factors which suggest rather strongly that Ottawa authorities failed to anticipate and were in fact surprised by the extent to which the provinces were prepared to make claims upon the funds available through the TVTA legislation. Supplementary estimates are presented to parliament by the government when it appears that funds voted in the budget will be insufficient to meet commitments. These estimates are thus indicative of the ability of a governmental department to accurately forecast its expenditures. The Department of Labour's estimates for the first year of the Act are revealing in this regard.

⁹Calculated from Reference 10, 1963.

Original budget estimate for TVTA expenditures for fiscal year ending March 31, 1962	-	\$ 26,600,000
Supplementary estimate (September, 1961)	-	20,000,000
Further supplementary estimate (March, 1962)	-	<u>28,400,000</u>
Total requested of parliament (23, 1962, Vol. II, p. 1778)	-	\$ 75,000,000

A survey made by the Training Branch late in the 1962 fiscal year indicated that federal commitments had reached \$75,000,000 (Ibid.). Thus the original budget estimate of \$26,600,000 was, in the course of a year, in error by a factor of nearly three.

The estimates for the following year (April, 1962 to March 31, 1963) proved no better. Proposed federal expenditures for technical and vocational training were given to parliament in July, 1962, as \$104,500,000 (23, Vol. III, pp. 3088-98). Actual expenditure for the fiscal year ending March 31, 1963 was \$207,870,000. (10, 1963, pp. 19-36).¹⁰ A further \$125,900,000 had been approved for payment under the 75-25 cost-sharing terms established for capital projects completed before March 31, 1963. In total the Federal Government had undertaken financial commitments which over-ran the original estimates for the second year of the Act by a factor in excess of three.

¹⁰ This figure includes federal contributions to Apprenticeship training.

In addition to these errors made in estimating TVTA expenditures, there are other indications that the extent of the program was not anticipated by federal officials. Various provincial authorities commented to the effect that the Federal Government did not, in their view, appreciate at the outset what they had undertaken (8, 26, 30, 32). Further, in 1960 a total of 103,000 technical and vocational training spaces were reported as available in Canada (21,p. 397). By June of 1963, the projects approved under the TVTA Act would add another 135,000 places to the total (9, p. 83). Thus in the first one-third of the six year life of the TVTA legislation provision had been made to increase the number of student places by 125 per cent. The increase in training spaces obviously provided the capacity for much more than a 50 per cent increase in the number of individuals trained which Starr had set as the goal the Act was to achieve in six years.

After the TVTA Act expenditures have been examined in further detail, the question of why provincial reaction was so unexpectedly great will be considered.

Comparison of Expenditures - 1961-62 - 1962-63

Table IV outlines federal grants made to the

TABLE IV

FEDERAL GOVERNMENT TVTA ACT EXPENDITURES
1 APRIL 1961 TO 31 MARCH, 1963

Program	(a) 1961-62	(b) 1962-63	Total of (a) and (b)	Per Cent of Grand Total
Capital	\$17,901,465	\$179,626,976	\$197,528,441	82.42%
(1) Voc. H.S.	1,964,730	1,930,000	3,894,730	1.70
(2) Tech. Trg.	3,351,895	6,794,211	10,146,106	4.30
(3) Trade Trg.	5,429,502	8,172,691	13,602,193	5.70
(4) Trg. in Ind.	31,177	56,478	87,655	0.04
(5) Trg. of Unemployed	3,941,585	7,751,223	11,692,808	4.80
(6) Trg. of Disabled	368,186	748,601	1,116,787	0.50
(7) Teacher Trg.	212,641	232,943	445,584	0.20
(8) Trg. for Fed. Govt.	26,833	69,246	96,079	0.04
(9) Student Aid	332,253	319,055	651,308	0.30
Totals	\$33,560,267	\$205,701,424	\$239,261,691	100.00%

Source: Reference 10, for years concerned.

provinces in the first two years of the life of the TVTA Act. Not included in this table are the funds paid to the provinces as the federal share of the Apprenticeship Agreement.¹¹ Because not all provinces were signators to the latter Agreement, it continued apart from the TVTA legislation.

As may be noted from Table IV, over four-fifths of the federal funds (82.42 per cent) went towards the support of capital expenditures made by the provinces. Support for the operational costs for Training of the Unemployed, Trade Training, and Technician Training (Programs 5, 3, 2) accounted in total for only 14.8 per cent of the federal money actually allotted to the provinces in the period specified. Thus provincial interest was clearly upon the capital support aspect of the TVTA Act.

The considerable emphasis placed by the provinces upon obtaining the federal 75-25 support for facilities apparently led to the first two amendments to the legislation. In November of 1962 the Act was revised to permit the provinces to claim "25 cent dollars" for equipment ordered prior to March 31, 1963 and installed by October 1st of the same year (31, Vol. 32, No. 5, May 1963). Apparently this was done to allow for better planning and to relieve

¹¹Total federal contributions, Apprenticeship payments included, for the fiscal year ending in 1962 were \$35,721,120; in 1963, \$207,873,569; for a grand total of \$243,594,689 (Reference 10 for years concerned).

the pressures on Canadian equipment suppliers who could not meet the extremely heavy demands (Ibid.). A further amendment in January 1963 provided that the 75 per cent federal aid would be applied to capital projects which had been approved by the Federal Government prior to March 31, 1963. Under this arrangement Ottawa was committed to payments for capital projects far in excess of the \$197,500,000 indicated in Table IV. In Table V a review of the federal commitment towards facilities as of March 31, 1963, is presented.

It can be seen from Table V that the provinces had undertaken capital projects in technical and vocational education which, by 1963, totalled over half a billion dollars. This amount compares rather strikingly with the \$90,000,000 figure which Starr had presented to parliament in December of 1960 as the then provincial estimate of required expenditures.

Comparative expenditures by populations. In Table VI the federal contributions to the provinces and the territories under the Capital Expenditure Program, as shown in Table V, have been calculated on a per capital basis for both the total populations of the provinces and for their 15-19 year age groups. In addition each province has been ranked according to the per capita contributions made by the Federal Government to these two population categories. Because the territories lacked provincial status they were

TABLE V

CAPITAL EXPENDITURE PROGRAM: PROJECTS APPROVED
APRIL 1, 1961 TO MARCH 31, 1963

Province	Total Estimated Cost	Estimated Federal Contribution
Nfld.	\$ 28,258,258	\$ 21,055,075
P.E.I.	2,754,072	2,065,555
N.S.	9,589,506	7,191,629
N.B.	7,374,381	4,792,504
Que.	44,598,051	23,743,419
Ont.	319,915,532	200,089,747
Man.	7,037,562	4,934,802
Sask.	16,957,584	8,224,611
Alta.	49,924,849	36,994,715
B.C.	19,771,312	13,585,168
Yukon	909,062	682,796
N.W.T.	480,000	64,800
Totals	507,570,169	323,424,821

Source: 10, 1963, p. 20.

TABLE VI

PROVINCIAL COMPARISONS OF FEDERAL PER CAPITA
CONTRIBUTIONS TO THE CAPITAL EXPENDITURE PROGRAM

Province	Federal Contributions			
	Per Person	Rank	Per 15-19 Year Old	Rank
Nfld.	\$45.99	1	\$480.39	1
P.E.I.	19.74	4	232.74	4
N.S.	9.76	5	111.95	6
N.B.	8.01	8	89.56	8
Que.	4.51	10	50.80	10
Ont.	32.08	2	457.99	2
Man.	5.35	9	69.69	9
Sask.	8.89	6	112.87	7
Alta.	27.77	3	373.67	3
B.C.	8.34	7	120.59	5
Yukon	46.68	*	892.54	
N.W.T.	2.82		38.14	
Canada	17.73		225.76	

* Only the provinces were ranked in this table.

not ranked with the other jurisdictions but were included for interest's sake.

From Table VI it may be noted that Newfoundland, Ontario, and Alberta ranked first, second, and third respectively in regard to federal contributions per person in each province and per 15-19 year old. New Brunswick, Manitoba, and Quebec ranked eighth, ninth, and tenth respectively for both per capita categories as recipients of TVTA Capital Program funds. The difference in "25 cent dollars" received by Newfoundland (Rank 1) as opposed to Quebec (Rank 10) was \$40.48 more for each individual and \$429.59 more per 15-19 year old. As will be indicated shortly this wide range proved to be a compelling argument for amending the Act.

Provincial Resources versus Capital Support

One of the areas to be explored in this chapter was the contention that matching grants favour wealthy jurisdictions because such authorities find it less onerous to meet their portion of shared-cost programs than is the case with jurisdictions with less fiscal ability. The problem then was to compare provincial resources versus federal shared-cost support.

A measure of fiscal ability which may be compared among the provinces is that of earned income per capita as calculated by the Dominion Bureau of Statistics. An index which presents earned income per capita as a ratio is a useful

comparative device. Such an index may be computed by taking the average per capita income for Canada as 100 and then expressing provincial per capita earnings as a function of that figure.¹²

In Table VII indices for earned income per capita and for per capita receipt of Capital Expenditures Program Funds are compared. The "Per Capita Earned Income Index" (Table VI) is used as a measure of financial ability and is based on 1961 data. The "Per Capita Receipts Index" of Table VII was computed by comparing the various provincial per capita earnings of federal funds for the Capital Expenditure Program of the TVTA Act with the Canadian average. The latter figure (\$17.73 per capita) was assigned an index of 100.

It seems apparent from Table VII that, for the 1961-63 period, there is no "fact correlation" between the wealth of a province (as indicated by its earned income index) and the amount of federal funds earned from the matching grant provisions of the TVTA Act. The responses of Alberta and Ontario to the TVTA Act during its first two years appear to support the contention that the "rich get richer". Both these provinces place above the Canadian average for per capita income and receipts from the TVTA legislation.

¹²Thus a provincial index of 50 would indicate that per capita earned income was one-half the national average. In this dissertation the term "wealthy" refers to those provinces with an index in excess of 100.

TABLE VII

EARNED INCOME VERSUS EARNED FEDERAL FUNDS FOR CAPITAL
EXPENDITURE PROGRAM 1961/62 AND 1962/63

Province	Per Capita Earned Income Index ¹	Rank	Per Capita Capital Receipts Index ²	Rank
Ont.	117	1	180	2
B.C.	115	2	47	6
Alta.	102	3	156	3
Man.	99	4	30	9
Sask.	92	5	50	5
Que.	87	6	25	10
N.S.	68	7	45	7
N.B.	65	8	38	8
P.E.I.	63	9	111	4
Nfld.	58	10	259	1

¹ As of 1961 Census (Source: Dominion Bureau of Statistics, Reference 14).

² Index calculated from 1961 Census (Reference 14) and from Federal contributions noted in Table VI.

Manitoba, Saskatchewan, Quebec, Nova Scotia, and New Brunswick all score less than the Canadian average for earned income and matching grant receipts. However, there is a discrepancy among these provinces. Nova Scotia with less per capita income than Manitoba, Saskatchewan, or Quebec, spent more per capita on technical and vocational education facilities from 1961-63 and consequently earned a higher proportion of TVTA funds. Similarly, New Brunswick with less per capita income than Quebec and Manitoba earned

more federal funds on a per capita basis.

The most obvious exceptions to a suggested correlation between wealth and matching grant receipts are the provinces of Newfoundland, Prince Edward Island and British Columbia. The latter of these three (B.C.) had the second highest per capita income in 1961 but ranked seventh in earnings of matching grants. Prince Edward Island scored above the national average in terms of TVTA Act receipts but stood ninth in regard to per capita income. The most striking exception of all was Newfoundland which stood tenth in income and first in earned matching grants. Figure 4 provides further illustration of the lack of relationship between income as a measure of wealth and earned matching grants under the Capital Expenditures Program of the TVTA Act.

In order to test statistically for a relationship between per capita income and per capita earned matching grants a "Rank Difference Coefficient Correlation" between these two categories was calculated.¹³ A coefficient of -0.08 was obtained. Inasmuch as a coefficient of 0.632 was required for a positive correlation at the 0.5 level of confidence, no correlation could be said to exist. The

¹³Garrett states that when N is small (under 25 as is the case here) a rank-difference correlation will provide as adequate a test of correlation as that obtained by more sophisticated correlation statistics (21, pp. 371-72).

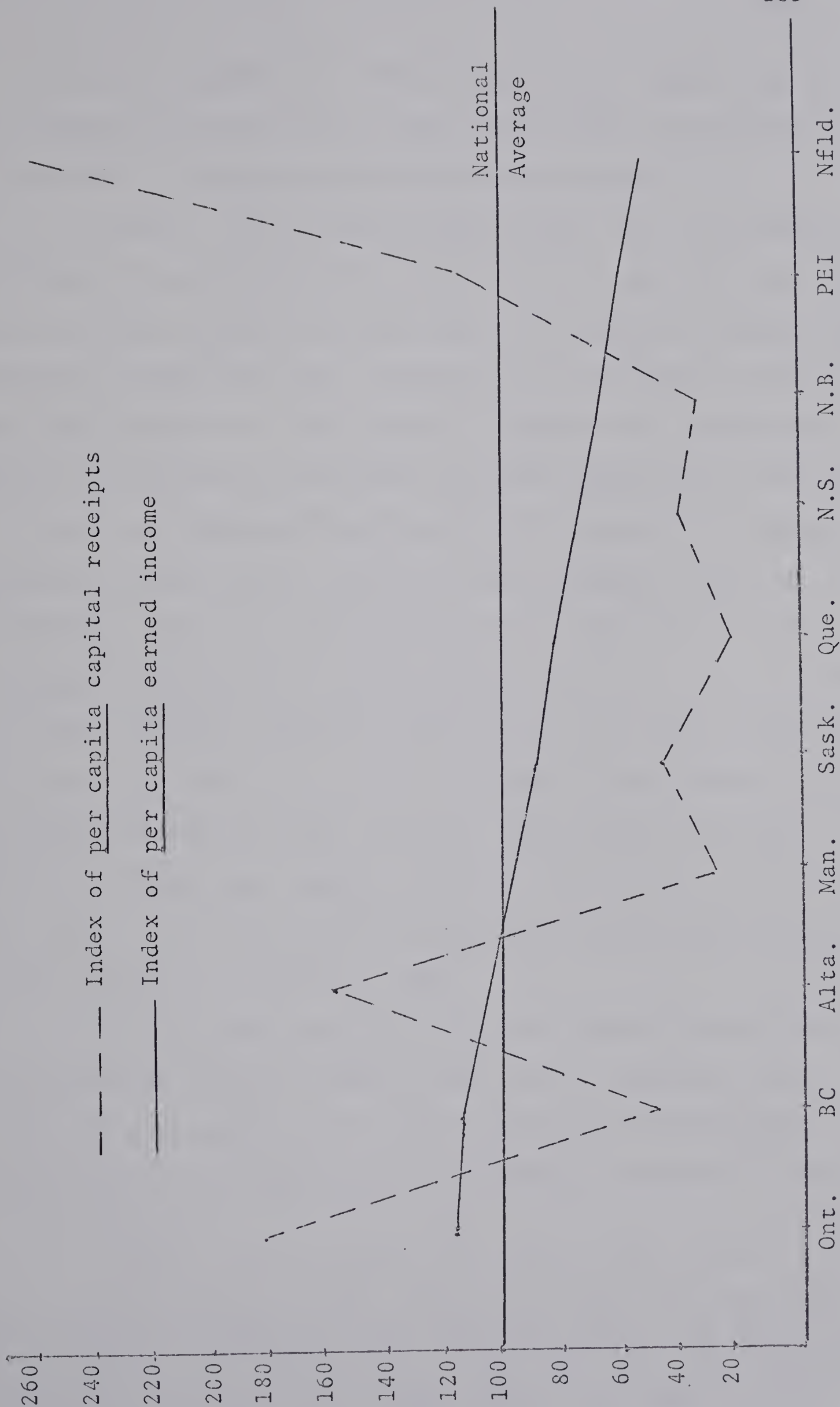


Figure 4

INDEX OF EARNED INCOME VERSUS INDEX OF CAPITAL ASSISTANCE FROM FEDERAL GOVERNMENT

same test was applied to the ranking of per capita wealth and federal contributions to the 15-19 year old population (Table VI). Again, no correlation was evident.

However, it is interesting to note the relationship between per capita income in the provinces and the type of institutions which were built under the Capital Expenditures Program of the TVTA Act. It may be recalled that a case was made earlier in the chapter to support the contention that the legislation favoured financial support of training in trade and technical institutions as opposed to training offered as part of the regular school program. All the provinces with per capita incomes less than the national average¹⁴ placed their major emphasis upon the construction of trade schools, technical institutes, and adult vocational schools (10, 1962, p. 77, 1963, p. 20). Newfoundland was a striking example of this practice. The latter province -- with the lowest per capita income in the nation -- earned all of its TVTA Act grants through the construction of twelve trade schools (10, 1963, p. 20).

Of the three provinces with per capita income above the national average, Alberta and Ontario committed themselves for the most part to the provision of vocational facilities in the high schools (composite schools).¹⁵ British

¹⁴Nfld., P.E.I., N.B., N.S., Que., Man., Sask.

¹⁵By March 31, 1963, Ontario projects approved for TVTA Act support included 170 new composite schools as opposed to 2 new technical institutes and 2 trade schools. In Alberta new construction was composed of 16 composite type high schools, 1 technical institute and 1 trade school (10, 1963, p. 20).

Columbia proved to be an exception. Alone among the three provinces with above average income, the latter province initially chose to earn its TVTA Act funds for the construction of institutions whose operating costs received favouring financial support.

Despite the fact that the less wealthy provinces did choose facilities which were supported on a 50-50 basis while two of the three wealthy provinces did not, there was no correlation between the extent of earnings of TVTA Act funds and provincial wealth. There were obviously other factors involved which warrant some consideration at this stage.

Provincial Reaction - Some Review

It was not initially proposed that this dissertation should examine the reasons why various provinces reacted as they did to the TVTA legislation. Nevertheless, in the course of inquiry certain information concerning provincial reactions came to light. In the interests of providing further clarity to the progress of the legislation, some of that information is presented here.

Newfoundland. With a per capita income of less than half that of Ontario in 1961, this Atlantic province was first in the earning of TVTA Act funds through matching grants. An Ottawa official who was involved in the negotiations with Newfoundland, and thus declined to be identified,

suggested to the writer that the province had a history of astute usage of federal grants and this factor played a part in the early response to the TVTA legislation (Category C). A prominent Newfoundland educator made the comment that the decision to take large scale advantage of the Act was made at the highest level of provincial politics with little if any consultation with provincial employees (Category B).

Ontario and Alberta. These two provinces stood second and third in the per capita earning of matching grants under the TVTA Act. In certain regards their responses to the federal legislation were similar. Both provinces, for example, emphasized the construction of composite high schools. In the case of Alberta the future of composite schools was, by a chance of fate, under discussion on the day the news arrived from Ottawa, that the Federal Government was prepared to participate substantially in the construction of vocational education facilities (8, 30). A participant in this discussion was of the opinion that the question of the future of composite schools became somewhat academic in light of the willingness of the federal authorities to support such institutions (30). With only a two year period then available in which to claim "25 cent dollars" it was necessary to move rapidly. The continuation of the present program (composite schools had appeared in Alberta in the 1930's) was financially appealing. Time spent

in a reconsideration of the structure of Alberta education meant a prospective loss of the use of TVTA funds (30).

Ontario, it would appear, was also favoured by circumstance to take immediate advantage of the legislation. According to an Ontario Department of Education official the province had practised such economies in school construction in the post-war years that a backlog of need had developed for secondary school facilities (32). This need was accentuated by the fact that the results of a surge in birth rate plus a lack of jobs for young people had by 1960 occasioned unprecedented demand for student places in high school (Ibid.). Further, a movement (later to be known as "The Robarts' Plan") was underway to broaden the educational opportunities available to young people in the regular school pattern (26, 32, 35). This re-thinking coincided with the arrival of the TVTA Act as indicated by the following comments made to the writer by Ontario Department of Education officials:

Sisco: The whole thing was in the process of ferment. We had the old technical and vocational schools for years and years under the terms of the old 1922-23 Act (Sic), I believe, but they tended to be separate institutions. (Further comments concerning the stigma of separate institutions.)

... To get away from that type of stigma the business (education) people in particular were trying to re-structure curricula and move toward a composite type of school. Well then along came the TVT which gave a bonus to that type of re-structuring. We were half to three-quarters of the way there in our thinking anyways. So after five to

six months of refinement and some argument with Ross Ford over the size of shops and that type of things, we were underway (32).

Kerridge: My impression was that the timing was extremely fortunate. The multi-level, multi-stream planning had been done. The idea had jelled. The planning was well along and then all of a sudden the money was there (26).

Stewart: When the Act came along we were able to offer much more in the way of technical subjects than the shop work and Home Economics we were introducing in the larger districts. We went into the composite schools.

Question: Would this have come about without the Act?

Stewart: Certainly not to the same degree or as quickly. But we were ready for the Act. (Underlining mine). It was a combination of events (26).

In addition to the apparent readiness of the Departments of Education of Alberta and Ontario to pursue technical and vocational education, another factor helped to account for the speed with which these provinces took advantage of the Act. This factor was the role which local school boards played in responding to the measure. The Act provided for federal reimbursement for direct provincial expenditures on vocational facilities (e.g. provincial technical institutes) or for provincial grants to "municipalities" (i.e. school boards) for training facilities (2). The Alberta and Ontario governments soon realized that it was to their immediate financial advantage to make grants to the school boards for 100 per cent of approved projects.¹⁶ Initially Alberta

¹⁶ A point made clear in interviews with provincial officials.

required local boards to pay 10 per cent of the costs but, since the federal share was then 75 per cent of only nine tenths of actual costs, this provision was soon dropped in favour of full support (7, p. 2; 30).

Local boards in Ontario and Alberta were not slow in petitioning their respective provincial governments for approval of "free" vocational wings of composite schools. Alberta's then Minister of Education (Aalborg) described the situation:

It was then clear that a school board could go for approval to us and then we could go to the Federal Government to get 75 per cent capital support. It took a few weeks to get this clarified and then when it was our school boards around the province got wind of it and very quickly started to take advantage of it. Within a short time there were vocational high schools developed in a great number of places (1).

In Ontario, local reaction to the availability of composite schools in which the vocational sectors were built and equipped entirely through federal and provincial contributions was equally intense.

Stewart: As a result of this (100 per cent reimbursement), school boards came flocking down to the provincial offices trying to take advantage of the deal. They were lined up in the halls! ...

Question: Did the provincial government actively encourage the local boards to take advantage of the Act?

Stewart: We couldn't keep them away! The 100 per cent was enough. They jammed the halls (35).

The question then arose as to whether the primary interest of the local boards was in providing vocational education as such or in housing students. According to a member of the Ontario Department of Education both interests were evident. However, there was a difference in the locus of concern.

The Department of Education had opted for the development of a broader educational program; the interest of the local boards was in getting the 'bargain' facilities because: "The feeling was that if they (the boards) were going to have to go into vocational education anyways, why not get it now when it was virtually free" (35).¹⁷

British Columbia. Alone among the three provinces with per capita income above the national average, British Columbia failed to earn federal grants above the Canadian mean during the Act's first two years. One of the factors which may have contributed to this province not taking early advantage of the TVTA Act was the fact that a philosophic argument about British Columbia's educational system developed at the same period of time the federal legislation was introduced. Unlike either Alberta or Ontario where educational philosophy was amenable to a broadening of the secondary school curriculum towards vocational training in

¹⁷ Stewart's interpretation of school board reaction was supported by a former member of one of the richest Boards of Education in Ontario. This member stated that his board decided on the construction of the buildings prior to a decision as to what courses might be useful and meaningful to the students (Category B).

the regular school system, the question of such training in British Columbia High Schools was very much in debate in 1960-61.

In the same month (December) of 1960 when the TVTA bill was passed in parliament, the Chant Commission on education in British Columbia submitted its report to the Provincial Government. This report called for an academically oriented high school system with collegiates for university bound students and separate vocational schools for others. (36, December 19, 1960, p. 15). Not surprisingly, the report generated vigorous debate.¹⁸ At approximately the same time the Bridge Report,¹⁹ prepared for the British Columbia Department of Education, presented that province with a survey of its vocational training needs (2, p. 34). Thus while having the advantage of an assessment of its needs, British Columbia was not philosophically "set" to take immediate action at the local level in regard to the TVTA Act.

Quebec. The province of Quebec stood sixth in per capita earned income yet tenth in the earning of federal TVTA Act matching grants for the 1961-63 period. The

¹⁸An aditorial of the Vancouver Province (36, December 30, 1960) called the Chant Report a "return to hard education". Teacher reaction to the report was judged as unfavourable (Ibid.).

¹⁹D.E. Bridge was "on loan" to B.C. from the Training Branch of the federal Department of Labour to assist in the compilation of this report (2, p. 34).

federal Department of Labour suggested that an explanation for this province's low level of expenditure in vocational education was due to the fact that Quebec had constructed a large number of trade schools prior to the Act (10, 1963, p. 20). While this was no doubt the case -- the same explanation was offered by one of the Quebec Department of Education officials contacted by the writer (28), -- there were additional extenuating circumstances to account for the delay. A Quebec study committee on vocational and technical education stated that because the province had not been involved in federal-provincial agreements in this area between 1955 and 1961, "it was not possible for those in charge of vocational education in the province to take cognizance of recent developments underway in federal policy in these matters ..." (24, p. 101). While admitting that a lack of familiarity with federal ventures in vocational education before 1961 contributed to the fact that Quebec signed the TVTA Agreement some six months after the inception of the Act (Ibid.), other reasons were advanced for the delay. The official then in charge of construction of technical education buildings in Quebec²⁰ stated that the agreements were drawn up in such a way that they "didn't take full consideration of the structure which existed in

²⁰Mr. G. Bergeron, Sous Ministere Adjoint (with special responsibility for technical education buildings and equipment), Ministere d' Education, Province de Quebec.

Quebec" (4). Consequently, only parts of the agreement could be effected and this tended to limit Quebec's participation (Ibid.). A further reason for not taking immediate advantage of the TVTA legislation was the desire to wait for the report of the Parent Commission which was deeply engrossed at the time in a comprehensive study of education in the province (24).

You see during that period (the initiation of the TVTA Act) the Parent Commission was underway and rather than take the funds available at the moment and apply them to the current educational structure, as I believe Ontario did, we wanted to get results of some of the first studies of the Parent Commission and then we negotiated with Ottawa to make the agreement applicable to our new structure (4).

Later, as shall be pointed out, Quebec led the attack on the Federal Government in which financial redress was sought for those provinces which had not taken immediate advantage of the 75-25 cost-sharing benefits of the TVTA legislation.

Ford's view from Ottawa of provincial reactions to the TVTA legislation was that:

... the particular direction a province took depended upon their state of progress at the time, upon the facilities they had, their philosophy -- or lack of it -- and on the person who was in a position to influence the provincial Government (19).

From his vantage point then, Ford made no immediate connection between provincial wealth and provincial reaction. Other factors, some of which have been suggested here, were also at work. Dr. F. K. Stewart, Executive Secretary of the

Canadian Education Association -- an organization which at the time of the TVTA bill had representation from all provinces plus close contact with the Vocational Training Advisory Council²¹ -- also supported the view that circumstances other than financial resources favoured some provinces in reacting to the TVTA legislation. In his (F.K. Stewart's) view Ontario was "ready to go" while Quebec "had to wait a few years in order to get its planning in shape". The rest of the provinces were "somewhat scattered in between these extremes" (34).

III. MAJOR AMENDMENTS TO THE TVTA ACT

The Technical and Vocational Training Agreement which became effective on April 1, 1961 called for federal reimbursement to the provinces of 75 per cent of approved capital expenditures for facilities up to March 31, 1963, and 50 per cent thereafter to March 31, 1967.

In December of 1963 this provision, plus others of a less financially demanding nature were subject to major modification.²²

²¹Stewart was a personal friend of the Chairman (G.F. McNally) in addition to the fact that the CEA held official representation on the Advisory Council (34).

²²An interviewee from Quebec suggested that the modifications were such that the whole intent of the TVTA Program was changed (4).

The amendments were as follows:

- (1) The 75-25 cost-sharing arrangement for expenditures on facilities, due to end on March 31, 1963, was continued at the 75 per cent rate of federal contribution until each province had earned an amount equal to \$480 for each person in the 15-19 (inclusive) age group residing in the province as determined by the 1961 census. Thereafter the rate was to be 50 per cent (with no quota) until March 31, 1967. Capital expenditures for facilities for training of the unemployed, however, were to continue to receive 75 per cent federal reimbursement until the Agreements expired.
- (2) Federal sharing at the rate of 75 per cent of provincial expenditures for training of the unemployed, regardless of the number trained, was inaugurated. (Previously the 75 per cent contribution was provided by the Federal Government only when the number of student training days in the year exceeded 7 per cent of the number of adults in the province). An additional 15 per cent of approved training allowances paid to unemployed persons in training was also authorized. This brought the federal contribution towards training allowances to 90 per cent.
- (3) The federal contribution towards support of provincial expenditures in Program 4 (Training in Cooperation With Industry) was raised from 50 to 75 per cent for approved training of the following nature: (1) Basic Training for Skill Development (BTSD) in such subjects as mathematics, science, and communication skills; (2) apprenticeship; and (3) retraining of employees who would otherwise be displaced because of technological or other industrial changes (10, 1964, p. 18; 10, 1965, pp. 17-35; 15).

In summary then, the amendments established a quota on provincial receipts of "25 cent dollars", provided federal support of a more generous nature to training of the unemployed, and increased both the rate of support and breadth of training available through cooperation with industry.

Some of the circumstances attending these amendments will now be examined.

The Federal Quota on "25 Cent Dollars" for Facilities

The major amendment of 1963 which permitted all provinces to earn a similar per capita quota of "25 cent dollars" was reminiscent of the extensions of various previous vocational training Acts which effectively eliminated the imposition of financial penalties on those provinces which had been slow to respond to federal initiatives. Once again federal financial threats had proven to be empty. It is interesting to note, however, the events which preceded this amendment.

In September of 1962 the "Standing Committee of Ministers of Education"²³ studied the progress of the TVTA Act to that date and became concerned, according to an ex-officio secretary of the Committee, that the deadline of March 31, 1963, for 75-25 cost-sharing would impose a hardship on some provinces (34).

In a special meeting held in Ottawa on January 21, 1963 at which the Committee of Ministers of Education met Labour Minister Starr, the case for an equalization of federal assistance to the provinces under the TVTA Act was put to the government. According to the CEA Executive

²³The "Standing Committee of Ministers of Education" was an organization which had evolved from a CEA "Committee of Ministers" formed in 1960 (34).

Secretary who attended this meeting, the affair was an excellent example of interprovincial cooperation and was instrumental in inducing the federal authorities to amend the Act.²⁴

We (the Committee of Ministers of Education) met in January of 1963 with Mr. Starr and a phalanx of his advisors and put the case to them. The government, the Conservative government of that time, as a result of this meeting made the arrangements under which it was possible for those other provinces, which had not been in the fortunate circumstances peculiar to Ontario, to obtain a fair share of the money (34).

In the spring election of 1963 Lester Pearson's Liberal government won 129 seats (four short of an overall majority) to the Conservative's 95. Diefenbaker resigned as Prime Minister on April 21, 1963. The new Minister of Labour to succeed Starr was Allan J. MacEachen. It was under his administration that the amendments were set into legislation (27). In June of 1963 the new Minister announced that the government would put forward amendments to the Act which would "level out the inequities" (15, p. 33).

It may be recalled from Table VI, page 234, that in March of 1963 provincial earnings of "25 cent dollars" ranged from Newfoundland's high of \$480.39 per 15-19 year old to Quebec's low of \$50.80. Ford described the process of arriving at the new financial arrangements as follows:

²⁴Stewart reported that the Quebec Minister of Education was particularly pleased with the support he received from the other provinces in pressing for changes in the legislation (34).

After the plan had been in operation some time the Federal Government became concerned about the fact that some of the provinces, Ontario and Alberta, had obtained a great deal of money while others had collected very little. Those that were not underway were claiming that the money was theirs and they wanted it. The question was, "How much was theirs?" The records were examined and it was found that Newfoundland had spent the largest amount per capita in Canada. The amount Newfoundland had spent up to that time divided by the number of persons in the 15 to 19 age group came to \$480 per capita. This was the amount the provinces were permitted to claim on a 75-25 cost sharing base (19).

During the course of the investigation the question arose as to what might have occurred had the Yukon Territory rather than a province been selected as the basis for national equalization of the 75-25 federal contribution to facilities. It may be noted that expenditures per 15 to 19 year old in the Yukon totalled \$892.54 (Table VI). Had this base been used, the Federal Government would have been committed to contributions to technical and vocational facilities to the extent of \$1,278,000,000. As it was, with four years yet to go in the Act, the Federal Government was committed through the one program alone to expenditures totalling \$678,620,000.²⁵

Increased Support for Programs 4 and 5

Only brief coverage will be given this topic as the primary focus of this dissertation was limited to events

²⁵These figures were computed on the basis of a 15-19 year old national population of 1,432,559 (14).

which affected more formal education. The 1963 amendments broadened the activities of and gave increased financial support to the services available for Training in Industry (Program 4) and Training of the Unemployed (Program 5). In the first two years of the TVTA Act support to Programs 4 and 5 accounted for only 0.04 and 4.80 per cent respectively of all federal expenditures (Table IV, page 231). It was evident that the Department of Labour, concerned with a total program for the upgrading of Canada's manpower was anxious that these areas should receive greater attention (10, 1964, pp. 27-29).²⁶ This concern was further evidenced in 1965 when the Department called a Federal-Provincial Conference of Deputy Ministers of Labour and Education at which plans for developing these areas of the Act were again stressed (10, 1965, pp. 37-39). A reason given by an Ontario official for the initial lack of response to Programs 4 and 5 were simply that while the province was in a position to move on capital projects, a lack of pre-planning in other areas delayed provincial reaction (26).

The broadening of the programs was also a move toward incorporating all the activities of the Training Branch under a single Agreement. The TVTA Act amendments of 1963 permitted Quebec, which had not signed the Apprenticeship

²⁶ See also Ford's address to the 1964 CEA "Short Course" in which he stated that while facilities had doubled at the secondary level, adult vocational programs were still entirely inadequate (16, pp. 9-10).

Training Agreement, to receive federal assistance for such training under Programs 3 and 4 (17; 10, 1966, p. 87).

Further amendments of a minor nature were incorporated into the TVTA Agreements from 1963 to the fall of 1966. Such changes included the addition of a new program (Program 10, Manpower Requirements and Training Research) in which the federal government met 50 per cent of provincial expenditures for approved research projects (10, 1966, p. 87). Another amendment provided that youths under twenty years of age had to be out of the regular school system for at least a year before they could apply for training privileges under Program 5, Training of the Unemployed (10, 1965, p. 39). A further amendment concerned the re-organization of the National Technical Training and Advisory Council. This however, will be discussed in the section which follows.

IV. TVTA EXPENDITURES: 1 APRIL 1961 -

31 MARCH 1967

The major amendment of 1963 which allowed each province a guaranteed sum of \$480 per 15-19 year old as the federal share of the 75-25 cost-sharing arrangements for facilities plus a no-limit, 50-50 agreement on subsequent expenditures, continued unchanged through to October, 1966. At that time the Federal Government announced that the Act would expire -- as scheduled -- on March 31st, 1967, and that certain financial arrangements would be made to phase

out the program. The events surrounding the end of the TVTA bill plus a review of the phasing out legislation form the substance of the next Chapter (Chapter VII). The remainder of this Chapter (Chapter VI) is concerned with an examination of the expenditures occasioned under the Act up to its official expiry date.

It may be seen from Table VIII that total federal contributions varied considerably from year to year but that the Capital Expenditures Program consistently accounted for the major part of the annual federal expenditures. These factures are presented in greater clarity in Figure 5. Note should be taken that the expenditures cited in Table VIII and Figure 5 are the actual transfer of funds from federal to provincial coffers under the TVTA Act for the years concerned. The further indebtedness of the Federal Government to the provinces as a result of federal approval of projects not completed by March 31, 1967 or funds due as a result of the phasing out arrangements will be examined later. The federal contributions portrayed in Table VIII and Figure 5 thus represent the then current provincial demands on the central authority in regard to the TVTA Act.

Figure 5 provided an indication of the extent to which capital expenditures was the dominant program under the TVTA legislation. Federal contributions to each program (in total and as a per cent of the grand total) are

TABLE VIII

FEDERAL TVTA ACT CONTRIBUTIONS 1 APRIL 1961 - 31 MARCH 1967
(\$000's)

Program	1961-62	1962-63	1963-64	1964-65	1965-66	1966-67	Total ²
Cap. Exp.	17,901	179,627	102,038	52,758	104,090	136,056	592,470
(1)	1,965	1,930	2,765	3,575	2,278	1,626	14,139
(2)	3,352	6,794	7,064	10,238	3,934	6,035	37,417
(3)	5,430	8,173	10,288	14,399	15,384	18,731	72,405
(4)	31	56	88	329	629	1,194	2,327
(5)	3,942	7,751	10,492	13,600	23,979	54,232	113,996
(6)	368	749	605	646	800	819	3,987
(7)	213	233	381	615	429	1,082	2,953
(8)	27	69	59	62	73	114	404
(9)	332	319	316	291	195	204	1,657
(10)	--	--	--	--	13	114	127
Total	33,561	205,701	134,096	96,513	151,804	220,207	841,882

¹See Chapter V for full titles of the various programs.²This total is of money actually transferred to the provinces for the period concerned.
Source: Annual reports; Departments of Labour and Manpower

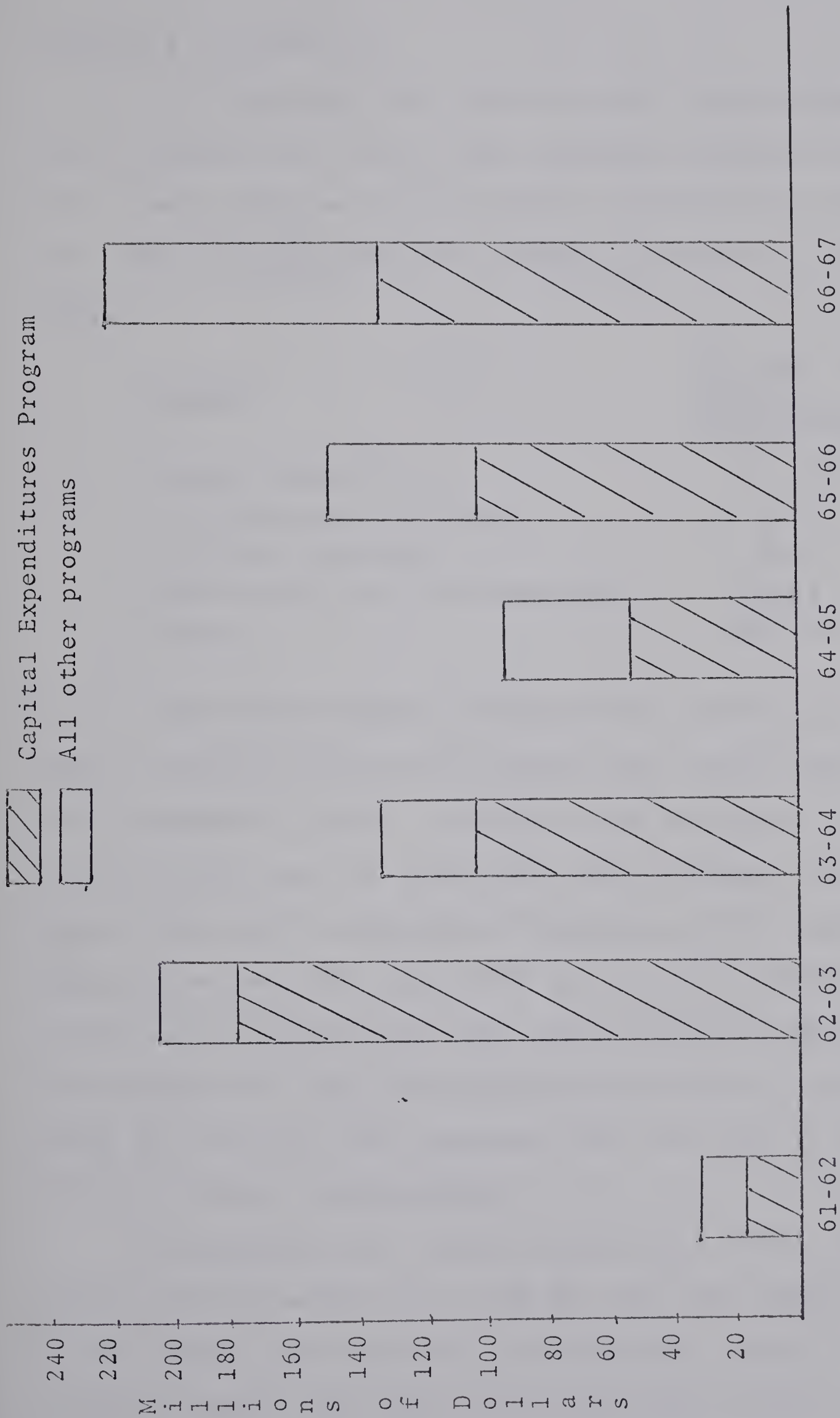


Figure 5

TVTA ACT FEDERAL CONTRIBUTIONS 1 APRIL 1961 - 31 MARCH 1967
- BY FISCAL YEAR -

presented in Table IX.

It is apparent from Table IX that Capital Expenditures together with three other programs accounted for all but a small fraction of the federal contributions under the Act. The following data from Table IX illustrate this point:

<u>Program</u>	<u>Per Cent of Federal Contributions</u>
Capital Expenditures	70.37%
(2) Technician Training	4.44
(3) Trade Training	8.60
(5) Training for the Unemployed	<u>13.54</u>
Total	96.95%

These four programs accounted for all but 3.05 per cent of federal contributions during the period April 1, 1961 to March 31, 1967. In Table X the proportion of federal funds spent on these four major programs for each year of the Act is presented. The peak year for Capital Expenditures was 1963 when 87.32 per cent of federal shared-cost contributions under the Act went to that program. Not unexpectedly this high point was reached in the year which the original TVTA agreement had specified as the end of 75-25 federal reimbursement.

Disregarding the initial fiscal year (1962) when the Act was getting underway, it may be seen from Tables VIII and X that federal contributions to Technician Training (Program 2) climbed steadily from 1963 to 1965 and then dropped sharply

TABLE IX

FEDERAL TVTA CONTRIBUTIONS BY PROGRAM
1 APRIL 1961 - 31 MARCH 1967

Program	Federal Contri- bution (\$000's)	Per Cent of Total
Capital Expendi- tures	\$ 592,470 ¹	70.37 %
1 (Voc H.S.)	14,139	1.68
2 (Tech. Trg.)	37,417	4.44
3 (Trade Trg.)	72,405	8.60
4 (Trg. in Ind.)	2,327	0.28
5 (Trg. for Unemployed)	113,996	13.54
6 (Trg. for Disabled)	3,987	0.48
7 (Trg. of Teachers)	2,953	0.35
8 (Trg. for Fed. Gov't)	404	0.05
9 (Student Aid)	1,657	0.20
10 (Research)	127	0.01
Total	841,882	100.00

¹This figure is for actual payments as of March 31, 1967. Not included is the federal commitment to approved, but not completed, projects.

Source: Calculated from Annual Reports of the Departments of Labour and Manpower and Immigration.

TABLE X

FEDERAL CONTRIBUTIONS TO THE FOUR LARGEST TVTA ACT PROGRAMS AS A PER CENT
OF TOTAL CONTRIBUTIONS APRIL 1, 1961 - MARCH 31, 1967

Program	1962	1963	1964	1965	1966	1967	Total
Capital Expenditures	53.33%	87.32	76.09	54.66	68.56	61.78	70.37
2 Tech. Trg.	9.99	3.30	5.27	10.61	2.59	2.74	4.44
3 Trade Trg.	16.17	3.90	7.67	14.91	10.13	8.50	8.60
5 Trg. of Unemployed	11.74	3.76	7.82	14.09	15.79	24.60	13.54
All Other Programs	8.77	1.72	3.15	5.73	2.93	2.38	3.05
Total	100	100	100	100	100	100	100

in 1966 and 1967 in both total dollars and proportion of money expended. This sharp decline was due to the fact that under opting-out agreements reached with Quebec, federal payments to support the operational costs of technician training were made by way of tax abatements (10, 1966, p. 72). Under a federal Act of 1965 (Established Programs - Interim Agreements Act) a province could contract to receive, instead of certain shared-cost grants, financial equivalents in the form of abatements of federal tax on individual income which a province would then pick up through its own tax (29, pp. 440-441). A supplementary agreement required an opting-out province to maintain the structure and function of the program until its expiry date in 1967 (Ibid.). While Quebec alone availed itself of the opting-out privileges which became available in 1965, the very presence of such legislation testified to the type of re-thinking concerning shared-cost programs which was under-way at the federal level. Further developments in this area will be reviewed in the chapter which follows.

The second largest recipient of federal contributions under the TVTA Act was Program 5 (Training of the Unemployed). From a low of 3.76 per cent in 1963, federal contributions increased both in total dollars and in proportion of expenditure to a high of 24.60 per cent in the final year of the Act. Federal acceptance of responsibility for unemployment has been noted earlier in this dissertation.

Federal concern for the expansion of Program 5 seemed evident from the various changes made in the Act. The major amendments of 1963 included provisions for federal reimbursement of 75 per cent of provincial expenditures on both operational and capital costs towards training of the unemployed and up to 90 per cent of approved provincial training allowances paid to the unemployed while in training (10, 1964, p. 18). In 1964 the Economics and Research Branch of the Department of Labour initiated a research program which in official language was to "assess Program 5 and broaden its application" (10, 1964, p. 29).²⁷ No other TVTA Act program received either this standard of support or this degree of investigation.

Despite the financial attractions of Program 5, the Capital Expenditures Program continued to dominate all federal contributions throughout the life of the Act. The extent of the provincial demand for federal support for Capital Expenditures is even more pronounced when the federal indebtedness contracted under this program is examined. The following data illustrate the point.

Capital Expenditures Program

Federal Payments April 1, 1961 to March 31, 1967 (Table IX).	\$592,470,000
Federal share of guaranteed "25 Cent Dollars" (see pages 254-255)	687,620,000

²⁷ The results of this research are discussed in Chapter VI.

Federal share of capital projects approved but not completed as of March 31, 1967 (13, p. 52)	792,242,215
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Total federal contributions to Capital Expenditures as agreed under "phasing out" arrangements. ²⁸	1,146,047,200
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It may be seen from the above data that the final indebtedness of the Federal Government of \$1,146,047,200 to Capital Expenditures was almost twice the amount (\$592,470,000) paid to the provinces during the fiscal years 1961-67 inclusive.

Federal Contributions to the Individual Provinces

Table XI portrays federal contributions to each province for the four largest programs of the TVTA Act. For comparative purposes the federal contributions are presented on a per capita basis and ranked in descending order of size.

Table XI may be read as follows: Ontario, which ranked first for per capita earned income in 1961 received federal per capita contributions of \$59.02 under the Capital Expenditures Program. These receipts were the second highest in the nation (Rank number 2). Contributions under Programs 2, 3, and 5 (Technician Training, Trade Training, and Training for the Unemployed) may be read in a similar fashion.

²⁸The "phasing out" arrangements are examined in some detail in Chapter VII.

TABLE XI

PROVINCIAL RANKINGS - EARNED INCOME VERSUS FEDERAL PER CAPITA
CONTRIBUTIONS TO MAJOR PROGRAMS
1961 - 1967

Province (Income Rank) ¹	Capital ²	Program and (Rank)			Total
		No. 2	No. 3	No. 5	
Ont. (1)	\$59.09 (2)	1.21 (5)	1.78 (9)	10.65 (1)	72.73 (2)
B.C. (2)	34.37 (5)	1.41 (4)	4.23 (6)	2.94 (9)	42.95 (5)
Alta. (3)	60.73 (1)	2.33 (2)	9.42 (2)	3.24 (7)	75.72 (1)
Man. (4)	21.96 (9)	.58 (7)	1.46 (10)	8.08 (3)	32.08 (9)
Sask. (5)	29.36 (6)	1.45 (3)	3.29 (7)	4.50 (6)	38.06 (6)
Que. (6)	35.19 (4)	4.14 (1)	4.50 (4)	2.80 (10)	46.63 (4)
N.S. (7)	23.78 (8)	.14 (9)	4.45 (5)	7.66 (4)	36.03 (7)
N.B. (8)	16.07 (10)	.81 (6)	7.92 (3)	3.07 (8)	27.87 (10)
P.E.I. (9)	27.66 (7)	0.00 (10)	3.06 (8)	4.95 (5)	35.67 (8)
Nfld. (10)	50.56 (3)	.51 (8)	10.13 (1)	8.11 (2)	69.31 (3)

Note: Federal contributions to the programs were obtained from annual reports from the departments of Labour and Manpower. Per capita calculations were based on the 1961 Census.

¹ Earned income for 1961 fiscal year.

² Federal payments approved as of 31 March, 1967 (13, 1967, p. 52).

A rank-difference test for correlation between federal contributions and earned income per capita was conducted on each column of data in Table XI. In no instance was a coefficient correlation obtained which approached the 0.05 level of confidence.

It was noted, however, that a considerable discrepancy existed from province to province in regard to the proportion of matching grants earned in the various programs. For example, Ontario received only 2.44 per cent of its per capita total of major program receipts for Trade Training (Program 3) while the proportion for New Brunswick was 28.42 per cent. Because federal contributions to Programs 2, 3, and 5 were primarily for the support of operating expenses, it was decided to consider these programs collectively. Accordingly, the proportion of federal contributions to Programs 2, 3, and 5 as a percentage of total federal contributions to the four major programs was computed for each province. The provinces were then ranked in descending order of proportion of federal receipts. The data obtained were as follows:

Province	Proportion of Federal Contributions Towards Programs 2, 3, and 5	Rank
Ont.	18.75%	10
B.C.	20.60	8
Alta.	19.79	9
Man.	31.54	3
Sask.	23.94	6
Que.	24.53	5

N.S.	34.00	2
N.B.	42.34	1
P.E.I.	22.46	7
Nfld.	27.05	4

Rank-difference tests for correlation between provincial wealth and the proportion of federal contributions to Programs 2, 3, and 5 yielded a negative coefficient of -0.636. This was significant at the 0.05 level of confidence. It was apparent then that wealthier provinces tended to claim a lower proportion of their federal TVTA Act receipts for operating expenses than did poorer provinces. This would also indicate that provinces with a high per capita income opted to earn a higher proportion of their federal receipts through matching grants related to capital investment than through claims made against operating expenses. Just the reverse would obtain for provinces with low per capita earned income.

Capital Expenditures - Further Analysis

As of March 31, 1967, federal payments to the provinces for Capital Expenditures totalled some \$592,470,000. This amount plus federal commitments to projects approved but not yet completed reached a sum which was estimated as of March 31, 1967, to be \$792,242,215. (13, 1967, p. 52). It is this total which will be subject to further analysis in this section. The phase out arrangements, which resulted in further federal allotments to the Capital Expenditures

Program, will be discussed in the following chapter (Chapter VI). However, it may be noted that federal payments and commitments to the Capital Expenditures Program plus payments to the other programs (Table IX) totalled \$1,041,654,215 as of March 31, 1967.

In Table XII capital projects approved under the Capital Expenditures Program from April 1, 1961 to March 31, 1967 are presented. It may be seen from the table that the total cost to the provinces (as estimated in 1967) was \$1,476,780,000 of which \$792,242,000 (53.6 per cent) was to be reimbursed to the provinces by the Federal Government.

Further from Table XII it may be noted that among the provinces capital costs per student place ranged from a low of \$2,189 in British Columbia to a high of \$8,242 in Newfoundland. This difference (Newfoundland's cost per student place exceeded that of British Columbia's by a factor of 3.76) may be accounted for in part by the fact that Newfoundland's capital expenditures all went towards twelve trade schools and one technical institute while in British Columbia new capital projects consisted of six trade schools, one technical institute, and thirty-four vocational high schools.²⁹ (13, 1967, p. 52). While it is not known exactly how many new student places were provided

²⁹ Vocational high schools as reported by the Departments of Labour and Manpower, included departments of vocational education in high schools.

TABLE XII

TVTA CAPITAL PROJECTS APPROVED APRIL 1, 1961 TO MARCH 31, 1967
(\$'000's)

Province	Total Cost	Federal Share	New Student Places	Cost/Student Place	Federal Share Per Place (%)
Nfld.	\$ 31,900	23,151	3,870	8.242	5.982 (72.6)
P.E.I.	3,859	2,894	1,486	2.597	1.947 (74.9)
N.S.	25,232	17,525	6,013	4.196	2.914 (69.4)
N.B.	14,000	9,613	3,695	3.788	2.601 (68.6)
Que.	305,431	185,092	113,228	2.697	1.634 (60.6)
Ont.	806,773	368,537	219,996	3.667	1.675 (45.6)
Man.	27,555	20,244	6,752	4.081	2.998 (73.4)
Sask.	49,448	27,168	12,634	3.913	2.150 (54.9)
Alta.	130,009	80,898	35,142	3.699	2.302 (62.2)
B.C.	80,191	55,991	36,624	2.189	1.528 (69.8)
Yukon	1,513	993	482	3.138	2.059 (65.6)
N.W.T.	870	137	30	28.991	4.550 (15.7)
Total	1,476,780	792,242	439,952	3.356	1.800 (53.64)

Source: Reference 13, 1967, p. 52.

by the vocational high schools it seems reasonable to assume that such places were in the majority and that their per student cost was lower than that of either trade or technical institutes. This point seems borne out by the fact that both Ontario and Alberta provided far more vocational high school places than trade or technical institute places at a cost per place which was respectively 44.5 and 44.9 per cent that of Newfoundland (Calculated from Table XII).

Table XIII presents a further look at the provinces and "New Student Places". In this table the number of new student places provided through provincial use of the Capital Expenditures Program is expressed as a percentage of the 15 - 19 year age group.³⁰

A cursory examination of Table XIII would suggest that comparatively wealthy provinces such as Ontario, British Columbia, and Alberta were able to provide more student places in relation to their 15 - 19 age group confirmed this observation. A correlation coefficient of 0.819 (significant at the .05 level of confidence) was obtained for this test.

³⁰ It may be recalled that this age group (15 - 19) was used as the basis for calculating an equalized proportion of "25 cent dollars" for the provinces.

TABLE XIII

NEW STUDENT PLACES AS A PER CENT OF PROVINCIAL
15-19 AGE GROUPS

	(1) Age Group 15-19 ¹	(2) New Student Places	Per Cent: (2) of (1)	Rank ²
Nfld.	43,829	3,870	8.82	9
P.E.I.	8,875	1,486	16.74	6
N.S.	64,239	6,013	9.36	8
N.B.	53,514	3,695	6.90	10
Que.	467,426	113,228	24.22	4
Ont.	436,883	219,996	50.35	1
Man.	70,808	6,752	9.53	7
Sask.	72,864	12,634	17.33	5
Alta.	99,004	35,142	35.49	2
B.C.	112,653	36,624	32.51	3
Yukon	765	482	63.01	-
N.W.T.	1,699	30	1.76	-
Canada	1,432,559	439,952	30.71	

¹1961 Census²Provinces only

Provincial receipts: 15 - 19 age group. Figure 6 portrays federal contributions for capital expenditures per 15 - 19 year old in each province.

The major TVTA Act amendment of 1963 set \$480 as that amount which the Federal Government would contribute per 15 - 19 year old on a 75 - 25 basis. At the time of the amendment only Newfoundland had reached the \$480 level of federal receipts. Four years later in 1967 (the year in

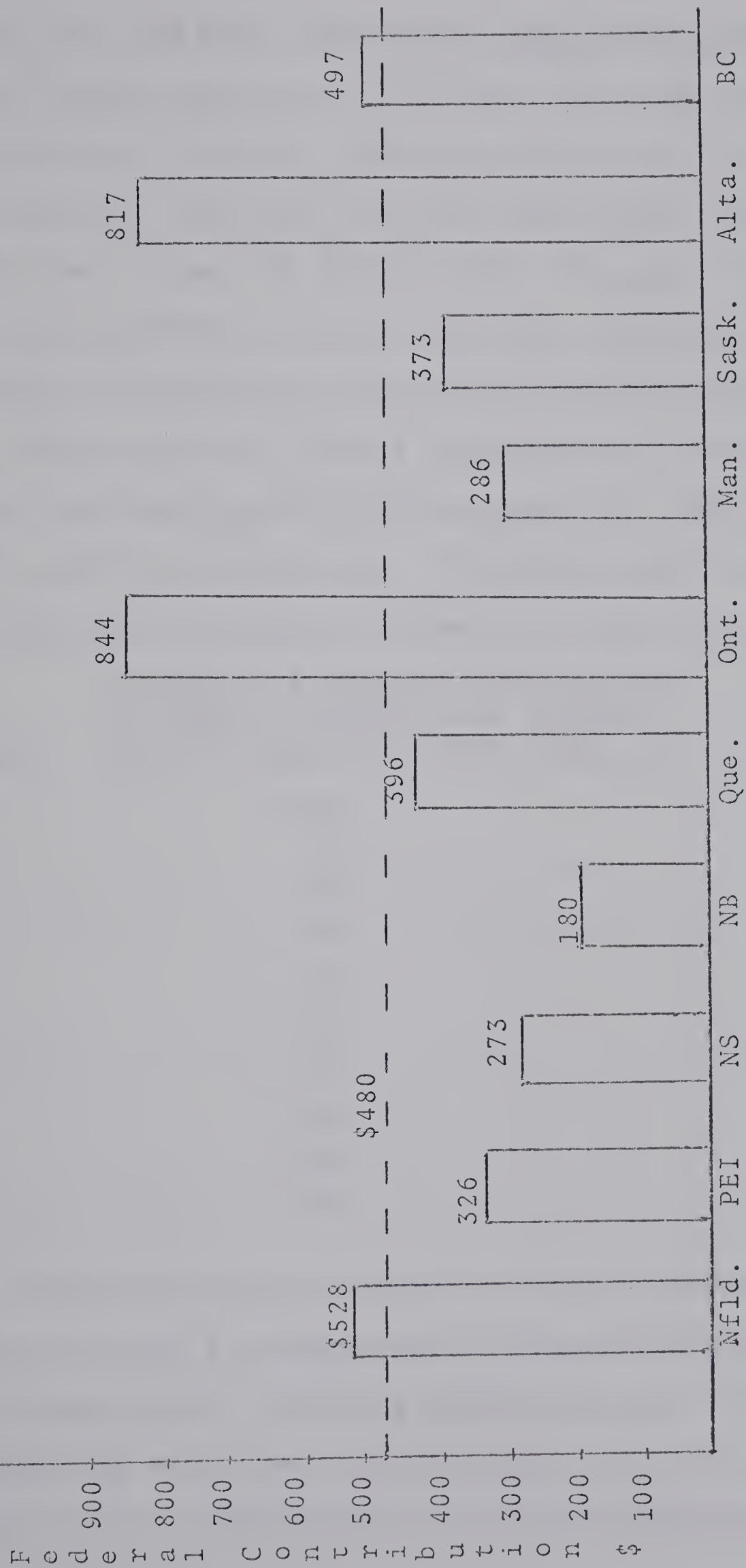


Figure 6

CAPITAL EXPENDITURES PROGRAM - FEDERAL CONTRIBUTIONS PER
15-19 YEAR OLD BY PROVINCE - 1 APRIL 1961 TO 31 MARCH
1967

which the Act had been scheduled to end) Newfoundland had earned a further \$48 per 15 - 19 year old while three other provinces (Ontario, Alberta, and British Columbia) alone among the remaining provinces had earned federal contributions beyond the \$480 per 15 - 19 year old level. These three provinces were the only ones which were above the average Canadian per capita earned income level of 1961.

The increase in federal contributions per 15 - 19 year old for each province between March 31, 1963 and March 31, 1967 is noted below. Provincial rank in descending order of size of increase is also given.

<u>Province</u>	<u>Increase in Federal Contributions to Capital Expenditures Program: 1963-67 (per 15-19 year old)</u>	<u>Rank</u>
Nfld.	\$ 48	10
P.E.I.	93	7
N.S.	68	9
N.B.	90	8
Que.	345	4
Ont.	386	2
Man.	216	6
Sask.	260	5
Alta.	443	1
B.C.	376	3

A rank-difference test for correlation between increase in capital expenditure and provincial per capita earned income (1961) yielded a coefficient of .867. This was beyond the 0.01 level of confidence. It was thus concluded that a significant correlation existed between

wealth (as indicated by per capita earned income) and increase in capital expenditures per 15 - 19 year old from 1963-1967.

V. CHAPTER SUMMARY

Chapter VI was largely concerned with the expenditures made by the Federal Government under the TVTA legislation. For the most part the examination was made from the federal standpoint. However, provincial reactions were noted where such information was deemed useful.

The first section of the chapter dealt with certain specific aspects of the legislation itself. The process of how the original federal estimate of \$90,000,000 for provincial capital expenditures was obtained and then doubled as a working estimate was reviewed. A case was then made that the legislation, through its support of operating costs, favoured the construction of trade schools and technical institutions as opposed to comprehensive schools for high school students. Finally, in the initial section, the grant schemes under the various programs were classified according to the system outlined in Chapter II.

The second major section dealt with TVTA expenditures during the first two years of the Act. It was in this period that the 75-25 cost-sharing arrangement for facilities was in effect. It was suggested that the Federal Government underestimated the extent to which the provinces

were in fact to react to the legislation.

It was noted that from the outset provincial emphasis was upon the Capital Expenditures Program. In the comparatively wealthy provinces of Alberta and Ontario advantage was quickly taken of the Act. However, provincial wealth (as indicated by per capita earned income in 1961) was not the sole criterion governing response. British Columbia, for example, was slow in diverting some of its considerable resources to technical and vocational education as provided by the legislation while Newfoundland, with the lowest per capita earned income in the nation in 1961, led all provinces in its initial reaction.

The 75-25 cost-sharing arrangement, a feature of the first two years of the Act, was amended in 1963 to permit all provinces to earn a similar number of "25 cent dollars" per 15-19 year old. This amendment was discussed in Section III of the Chapter. Finally, expenditures during the whole of the six years of the Act were presented in tabular form. It was noted that 70.37 per cent of the federal funds granted the provinces by 1967 were for the Capital Expenditures program. Training of the Unemployed, Trade Training, and Technician Training (Programs 5, 3, and 2) were the three other major programs in terms of federal contributions.

Rank difference tests for correlation were run on provincial per capita expenditures on the four major

programs versus wealth. In no instance was a correlation obtained which approached the 0.05 level of confidence. However, rank-difference tests did indicate that there was a negative relationship between per capita wealth and proportion of TVTA receipts which the provinces obtained for the support of operating costs. The wealthier provinces, it appeared, earned less of their TVTA receipts by way of operating costs and more through capital investment than did the poorer provinces. Further analysis of expenditures from 1963 to 1967 indicated that the wealthy provinces tended to increase their Capital Program expenditures from 1963 to 1967 to a greater extent than did less well endowed jurisdictions.

One of the exploratory areas outlined as an avenue to be examined in connection with expenditures under the TVTA Act was the general contention by Tiedt that federal grants to education tend to become relatively permanent commitments. Such, however, was not the fate of the TVTA Act. The circumstances attending the demise of the legislation constitute a main theme of the following chapter.

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CHAPTER VII

THE TVTA ACT COMES TO AN END

On the evening of October 23, 1966, a number of provincial representatives from the Ontario Department of Education emplaned for Ottawa as part of that province's delegation to the Federal-Provincial Conference scheduled to begin on October 24. Included in the materials the Ontario delegation intended for use at the conference were numerous copies of a position paper on proposed changes to the TVTA Act (30, 53, 56). The opportunity for the distribution of these papers failed to arise. To the apparent surprise of the Ontario delegation, the Federal Government, under the leadership of Prime Minister Pearson, announced that the TVTA Act would end (as scheduled) on March 31st, 1967. The circumstances surrounding the demise of the TVTA legislation and with it the Training Branch charged with its administration constitutes one of the main sections of Chapter VII. Other sections include a review of the phase-out procedures established for the TVTA Act; an estimation of final expenditures; and commentary on the Act in retrospect.

I. CIRCUMSTANCES SURROUNDING THE DEMISE OF THE ACT

It would appear from the available data that the Act came to an end, as it had arisen, in a conflux of events

which in total produced the conditions leading to change. While certain individuals and circumstances associated with the end of the Act undoubtedly had greater impact than others, no single person or event could be identified in the study as solely responsible for its end. Factors which appear to have been closely associated with the ending of the Act include:

- (1) a lack of political "pay off";
- (2) a difference in federal and provincial goals in regard to the emphasis placed on TVTA expenditures; and
- (3) concern about the appropriateness of shared-cost programs in the Canadian federal system.

Each of these factors is examined in turn.

Political "Kudos" and the TVTA

The first federal shared-cost program specifically for technical and vocational education (The Technical Education Act of 1919) was introduced by a Conservative government; then, as a result of intervening elections the Act was executed and ended by a Liberal administration. (Chapter IV). A similar fate befell the TVTA Act of 1961. In the spring of 1963 the Conservative government was replaced by the Liberals under Pearson. For two-thirds of its life (1963-67) the Act was an inherited responsibility of the incumbent federal authority. The fact that the legislation was inherited was not in itself sufficient reason for it to be abandoned by the new government. Other

factors played an important role in the government's decision to allow the legislation to lapse. Not the least of these factors was the lack of political credit¹ which attended federal involvement in TVTA projects. This lack of recognition was evident to both major parties as the following remarks by former Prime Minister Diefenbaker indicate.

... The provinces took all the glory. They never even indirectly permitted themselves the luxury of allowing their provincial peoples to know that the Federal Government had anything to do with it. This was a tremendous proposition and we received little or no credit for it. That's one of the best examples of what it means in the federal system when joint programs are undertaken. One pays and the others pay some little share and arrogate to themselves all the credit for what's being done.

... As far as political benefit for the Federal Government was concerned, it was a virtual nullity (12).

The view that little political advantage fell to the Federal Government through the Act was supported by Ford. A lack of recognition for what the government was doing in technical and vocational education was, in his view, a sore point with many parliamentarians in the later stages of the legislation:

There was the concept that the Federal Government should get credit for the money it spent. This was a feeling held by Members of Parliament. They felt they were not

¹The term "Kudos" (glory, renown; Reference 1, p. 678), was commonly used by interviewees associated with the federal scene in reference to political benefit accruing from a particular enterprise.

getting the credit they should (18).

Ford was of the opinion that the Training Branch should have specified the manner in which recognition was to be given the Federal Government for its part in TVTA projects (Ibid). The implication was clear that had the Act been politically rewarding, there would have been less likelihood that the Federal Government would have withdrawn.² As one federal official put it, "This is political and we have to live with it" (Category B).

A Difference in Goals

Shortly after the Liberals took office in June of 1963, major amendments were made to the TVTA Act. These amendments, described in some detail in Chapter VI, included the provision of greater financial support for the training of the unemployed. Ford was of the impression that the change in government dictated a political need to bring in "something that was Liberal in its posture" (18). While there may have been a degree of political "window dressing" to the changes, it should be noted that the amendments were in accord with previously expressed Liberal sentiments. It will be recalled that in the July and December House of Common debates of 1960 (Chapter V), that Liberal preoccupation had been with federal responsibility towards training of the unemployed. There is evidence to

²Other interviewees made much the same point. (Example: F. K. Stewart, Reference 57).

suggest that the Liberal emphasis was a matter of policy and not merely political "nit-picking" to embarrass the government. In a speech made in Kingston in 1960, prior to the passage of the TVTA Act, Tom Kent³ who has been described as a confidant of Prime Minister Pearson and the "philosopher of the Liberal government" put forth eleven policy planks which an observer later suggested, "... have to a remarkable extent become the policy of the Liberal party or even the law of the land." (31, p. 17). Included among these statements of policy was the recommendation that "employment training" (later called manpower training) was an area that needed large scale development if contemporary society was to meet people's needs more effectively (Ibid.).

In 1966 Jean Marchand was appointed Minister of the new Federal Department of Manpower and Immigration. It was under this department that the TVTA Act and the Training Branch were to come to an end.⁴ Despite being a late

³Because of his reputation as a policy-maker, Kent's appointment as Deputy Minister of the new Department of Manpower and Immigration (January, 1966) was regarded in some quarters as "putting politics into the civil service" (31, pp. 15-17). In the search for people prominent in the demise of the TVTA legislation, Kent's name was suggested far more than any other. Considerable importance was thus attached to the various documents bearing his name and to the interview which he granted for this study.

⁴The Department of Manpower and Immigration legally came into existence on October 1, 1966. The decision to create the Department was made public on January 1, 1966 (18). The Technical Training Branch was one of four Department of Labour Branches transferred to the new Department (6, 1966, p. xi).

comer to federal politics (having joined the Pearson government in 1963), it would appear that Marchand had prior familiarity with the concept of adult retraining. In 1962, as president of the Confederation des Syndicats Nationaux, he attended an "Education and Employment" seminar at the Second Canadian Conference on Education (49, p. 314). There the idea was strongly advanced that the retraining of adults might well be the most important activity through which education might help meet employment needs (Ibid.). Later in 1966 and 1967, as a Minister of the Crown, Marchand was to advance the same argument and defend in no uncertain terms the proposition that the Federal Government had both the right and the duty to see that adults received the type of training necessary to ensure their continued productive ability (35, pp. 3-4; 36, p. 4).

In 1963 the Federal-Provincial Deputy Ministers' Conference on Manpower Development and Training heard federal officials voice concern about the current direction of the TVTA expenditures. Up to the time of the meeting (September, 1963), more than 65 per cent of TVTA capital expenditures had gone towards Program 1 for the construction of secondary schools while more than 75 per cent of the new training places created under the Act were located in vocational high schools or composite schools (11, p. 1). It was clear from a statement made by the federal Assistant

Deputy Minister of Labour (W.R. Dymond) that this emphasis on youth did not coincide with the priorities as seen by some in Ottawa:

We cannot afford to direct almost all our attention to the training of youth. We must direct a considerable proportion of our attention to adults whose prior education is insufficient to equip them for the present day situation (14, p. 1).

In the federal view of 1963 vocational and technical training assistance to adults should be emphasized.⁵ To this end it was announced at the Conference that the Federal Government planned to pay 90 per cent of the living allowances granted the unemployed while undergoing approved training (7, Appendix "C"). This, and other increased federal support for Program 5 (see Chapter VI) testify to the federal emphasis. However, it is apparent from a review of expenditures made under the TVTA Act that the federal concern was not reflected in the financial priorities the provinces assigned to their participation in the various shared-cost programs available under the Act. It may be recalled from Table IV, Chapter VI, that 82.4 per cent of all TVTA expenditures from April 1, 1961 to

⁵ Later (1964), Ford advised an audience of school Superintendents that there was "inadequate evidence to show that the objectives of the federal financial assistance was also the objectives of this program in all schools" (15, 1964, p. 8). The OECD 1966 report on Canada's Manpower Policy and Programmes (especially pages 118 and 139), held that the Federal Government's main concern was in regard to the training of adults (43).

March 31, 1963, had gone towards the Capital program and only 4.8 per cent on Program 5 (Unemployment Training).

While it is apparent that the provinces did not utilize the provisions of Program 5 to anywhere the same degree in a financial sense as the program for Capital Expenditures it also became clear that, from the federal standpoint, Program 5 itself had certain glaring deficiencies. In 1964 the Economics and Research Branch of the Department of Labour began a survey of the unemployed and of Program 5 (6, 1965, p. 40). The resulting report described as a "striking feature of the survey" the fact that the age group with the highest level of unplaced applicants for work (as registered by the National Employment Service) had disproportionately few numbers of trainees (9, p. 8). For example, in September of 1965 over one-third of all unplaced applicants for work were 45 years of age or over while only 5.3 per cent of the Trainees in Program 5 were of that age group (Ibid.). At the same time 33.6 per cent of all male trainees in Program 5 were under 20 years of age while only 11.6 of unplaced applicants were in this age group. In addition to what the report described as this "obvious favouring of the young", there was also a tendency for Program 5 to favour women (Ibid.).

In 1966 Kent noted the Federal Government's further disenchantment with Program 5 as an instrument for adult training as follows:

Last year the average age of the unemployed who came to our offices for jobs was 36. But the average age of the trainees in "Program 5", the program for the unemployed, was only 23. One in every five of the people who needed jobs was a man over 34 years old with less than a grade nine education, but of the people in training for the unemployed only one person in 40 fell into that difficult category of people whose employment problems are especially severe (28, p. 11).⁶

It follows from the data reviewed in this section of Chapter VII that a difference in goals existed between the federal authority and the provinces in regard to TVTA expenditures. This, coupled with the lack of political credit accruing to the Federal Government for its contributions would mitigate support in Ottawa for the Act. There were, however, even more powerful demands for a searching examination of the raison d'etre of the TVTA legislation. Shared-cost programs as such were, in the mid-1960's, increasingly called into question. Kent, in further disparaging Program 5 as effecting federal purposes noted that while TVTA programs in general operated at very different levels in different parts of the country with the wealthy provinces getting most of the federal money because they could "better afford to put in their contribution along with the federal share", anomalies were

⁶On the basis of the research conducted by the Department of Labour, evidence also existed to support the contention that at times Program 5 favoured the training of those with an educational level above the general out-of-school population (9, p. 10).

particularly glaring in training of the unemployed (28, p. 12). Specifically, Kent declared:

In 1965-66, our (the Federal Government's) share of the costs of such training per unemployed person was \$34 in the Atlantic provinces and \$25 in Quebec, compared with \$177 in Ontario. Least was done where the need was most (Underlining mine) (Ibid.).

In an interview with the writer, Kent reiterated the view that a basic weakness of the TVTA program was that the federal contributions to both capital and training costs "reflected to a very large degree the ability of the provincial governments to finance their share, rather than the intensity of need" (29). Mr. Kent then referred to the discrepancies among the provinces in regard to the federal share of costs for training the unemployed and added:

These discrepancies of course were the basic reason why we felt that if we were going to have a manpower policy responsive to manpower needs, the decisions about the distribution of manpower training had to be very different from those which were inevitably made under the shared-cost program. This was the reason for the decision to move on from the TVT to the OTA. (Occupational Training Act). But I would emphasize, our attitude was not that the TVT should never have been started, but that after a period of six years the time had arrived to go on to a more sophisticated and more effective program (29).

This statement of Kent's leads naturally to a brief look at the federal attitudes towards shared-cost programs per se as a factor in the demise of the TVTA Act.

Disenchantment with Shared-Cost Programs

It became evident in the study that a complex intermingling of economic and constitutional factors in the federal and provincial political arenas led to a general disenchantment with shared-cost programs in technical and vocational education.⁷ In this section certain political and economic events and circumstances relevant to the TVTA Act are examined.

At the Dominion-Provincial Conference of July, 1960, the provinces had, for the most part, expressed objections to shared-cost programs initiated by the Federal Government (21, pp. 75-76, and 90-91). A particular complaint was that such programs distorted provincial financial priorities (Ibid.). Despite these objections, the TVTA bill had gone forward under a Conservative government. The Liberal's "Manifesto" of 1962 -- prepared by a party not then in power -- expressed a view of shared-cost programs which was largely akin to the sentiments held by the provinces and at the same time outlined the basic format of what was eventually to become known as "contracting-out"(later "opting-out") legislation.

⁷This is not to say that shared-cost programs were universally denigrated. Ford, for example, continued to support the concept throughout his tenure as Director of the Training Branch (18). (Ford left the Branch in the summer of 1966).

If some provinces wish, they should be able to withdraw without financial loss from joint programs which involve regular expenditures by the Federal Government and which are well established. In such cases, Ottawa will compensate provinces for the federal share of the cost by lowering its own direct taxes and increasing equalization payments (Canadian Liberal Party's Manifesto).⁸

In the spring of 1964 federal disavowal of shared-cost programs continued. Prime Minister Pearson noted that while future conditions might warrant new federal initiatives, the general trend at the time (1964) was away from such programs and it was now appropriate to re-examine shared cost-programs in Canada with an eye towards federal withdrawal and provincial assumption of responsibilities in certain fields (46, pp. 5-6). The construction of technical and vocational schools was cited as an example of a program of limited duration. Where long term or continuing agreements were in effect and some provinces wished to withdraw, Pearson suggested that contracting-out arrangements could be made whereby the province(s) could, for an interim period pending re-negotiation of agreements with other provinces, undertake to continue the operation of the program concerned but receive compensation in the form of "tax-room" (Ibid., pp. 6-7). By tax-room Pearson meant provincial access to the field of personal income tax to an amount equivalent to shared-cost receipts foregone.

⁸As quoted by Lesage, Reference 32, p. 15.

Quebec's Premier (Jean Lesage), who had expressed his government's desire to put an end to shared-cost programs at the Federal-Provincial Conference of November, 1963, reiterated these sentiments at the 1964 conference (32, pp. 15-20). Lesage accepted Pearson's general concept of "contracting-out" and indicated a willingness to continue the structure and function of joint programs during an interim period until appropriate fiscal arrangements could be made (Ibid., p. 18). Subsequently, in 1965, the Established Programs (Interim Arrangements) Act was passed which designated five programs, including vocational training, as eligible for contracting-out (38, p. 440). Quebec alone took advantage of the provisions of this bill. However, as far as the TVTA Act was concerned the only change was that from 1966 on federal payments for Program 2 (Technician Training) were made to Quebec by way of tax abatements (6, 1966, p. 72).

From the interviews obtained in the course of the study it became evident that the "view of the economist" was seen as gaining the ear of government at both federal and provincial levels.⁹ This view held that the open-ended, shared-cost programs in technical and vocational education tended to inhibit budgetary planning (40, 53).

⁹One of the core questions asked in the interviews concerned the use of shared-cost programs as such in technical and vocational education.

The Federal Government was dependent upon the provinces in regard to the final funds required from the Federal treasury while provinces such as Ontario and Alberta were in turn largely dependent on the extent of local school board effort before a final budget could be struck. Thus it followed that the Treasury Board of Ontario, for example, was described as being in opposition to open-ended, shared-cost programs, desiring instead a "firm" budget in which provincial priorities could be established at the provincial level (54).

At Ottawa it was Ford's view that relations with Quebec plus the arrival of new economists, complete with new approaches, helped generate dissatisfaction with shared-cost programs in technical and vocational training as then constituted.

The economists were listening too hard, at least in my view, (Ford), to what the radicals were saying in Quebec. Quebec was saying that education was totally their problem. The federal financial officers and economists were using this as an excuse for getting out of cost-sharing programs.

Provincial Treasury people didn't like shared-cost programs because they wanted to have the money and to allocate it as they saw fit. Provincial civil service Treasury Officers who joined the federal civil service brought the idea that shared-cost programs were not the way to provide financial support to the provinces. They maintained the people in the provinces were just as intelligent as anyone in Ottawa and they could spend the money with much more wisdom. This was

promoted and a few of the Ottawa economists accepted this as the new Gospel (18).¹⁰

Ford's comments form an interesting background to some of the events which will now be described.

Developments in Quebec. In June of 1966 the Union Nationale Party under Daniel Johnson, came to power in Quebec. Initially Johnson appears to have been regarded in constitutionally sensitive Ottawa as at worst an outright separatist and at best as an unknown quantity (Ibid., p. 323). In any event at the Tax Structure Committee meeting of the Federal-Provincial Conference of September, 1966, Johnson made it abundantly clear that shared-cost programs, particularly those of a social nature (education was specifically mentioned), were anathema to his government (25, pp. 50-51). Speaking about joint (shared-cost) programs, Johnson declared:

Let this point be understood once and for all: for social and cultural reasons, Quebec absolutely insists on full respect for its fields of jurisdiction under the constitution; federal interference in these fields, direct or indirect, will not be tolerated (Ibid., p. 51).

Pearson's concern at the time that confederation was in danger of disintegration has been well documented (see

¹⁰Newman claims that A. W. Johnson, whom he describes as an economist of great originality, was hired away from the Saskatchewan government, made assistant deputy minister of Finance for Federal-Provincial relations, and subsequently became the "main architect" in the new fiscal relations under development in the mid-1960's (42, pp. 324-325).

particularly 41). This concern could hardly have been assuaged by Johnson's repeated assertion that Quebec as a nation was determined to become:

... solely responsible within its territory for all public expenditures on every form of education, old age security, family allowances, health, employment and training of the labour force, regional development and, in particular, municipal aid programmes, research, fine arts, culture, as well as any other social or cultural service within our jurisdiction under the present constitution (Underlining mine) (26, p. 52).

At the same conference (September, 1966), prior to Johnson's "hard line" stand, the federal Minister of Finance (Mitchell Sharp) had announced what he termed as an important change in the federal approach to shared-cost programs. While not discounting the possibility of future federal shared-cost initiatives in short-term projects, Sharp proposed that well established, continuing programs (hospital insurance, The Canada Assistance Act, national health grants) would be brought to an end (52, pp. 18-19). Sharp stated that he recognized that the provinces (especially Quebec) wished to assume full responsibility for initiating and operating their own programs and, in passing, noted that "federal participation in technical and vocational training agreements were under review" (Ibid., p. 23).

Given these statements, it would appear that in the fall of 1966 it was extremely unlikely that the Federal Government was in any way disposed to changing a shared-

cost program of short duration (such as the TVTA Act) into a continuing commitment. Further, it would seem out of character for the government of the day to risk exacerbation of relations with Quebec by continuing, beyond its scheduled date of expiration, a program in which expenditures had largely been in the constitutionally sensitive area of education of youth. In addition, during the September Conference no support emerged from the provinces in support of shared-cost programs (59). Block grants in lieu of shared-cost earnings were advocated by the Premier of Saskatchewan (Ibid., pp. 130-131). However, for the most part the Premiers were concerned that no new agreement would entail any loss of present revenue (Ibid.).

The circumstances of the September tax structure meeting coupled with Federal dissatisfaction with aspects of the TVTA Act (previously noted) would appear to have militated strongly against the possibility of any prolonged future for the legislation. The final denouement came some five weeks later at the Federal-Provincial Conference of October, 1966.

II. THE END OF THE TVTA ACT: THE FEDERAL-PROVINCIAL CONFERENCE OF OCTOBER, 1966

In his opening statement to the Federal-Provincial Conference which began on October 24, 1966, Prime Minister Pearson made three important policy pronouncements in regard

to the Federal Government and education. These were:

- (1) The TVTA Act would come to an end on March 31, 1967;
- (2) federal support for post-secondary education was to be substantially revised; and
- (3) new federal initiatives were to be forthcoming in adult training (46, 1-12).

Each of the proposals will be examined briefly.

End of the TVTA Act

The Prime Minister reminded the provincial premiers of the importance of the TVTA legislation in providing substantial federal assistance to vocational education in the past five years. Vocational high schools had been particularly helped by the federal initiative, receiving two thirds of federal funds in support of capital projects. (Ibid., pp. 4-5). Pearson then suggested, in terms reminiscent of Daniel Johnson's remarks in September (page 296), that no one would contemplate permanent federal involvement "... either directly or indirectly in any form of secondary education which is the constitutional responsibility of the provinces" (Ibid., p. 4). He noted further that provincial premiers had often pointed out that shared-cost programs had a distortive effect on provincial priorities. Accordingly the agreements were to be allowed to lapse automatically on March 31, 1967 (Ibid.).

Initial phase-out proposals.¹¹ Suggested phase-out arrangements consisted initially of time extensions to the previous agreement plus a limited further financial commitment. The time in which the provinces were to be allowed to earn their allotted \$480 per 15 - 19 year old of "25 cent dollars" was extended to March 31, 1970. Additional help was to be made available for provinces which had built trade schools in lieu of vocational high schools.¹² If a province reached the \$480 per capita quota for capital grants of all kinds but was below the national per capita average in grants for high schools (a figure to be determined as of March 31, 1967), the Federal Government would make further contributions at the 50 per cent sharing rate. This latter assistance would be available until March 31, 1973, for any province that did not reach the national average before that date (Ibid., pp. 4-5).

Federal Support of Post-Secondary Education

The problem of meeting the projected need in post-secondary education was, in Prime Minister Pearson's words

¹¹Provincial reaction to the end of the TVTA legislation was such that, as shall be noted shortly, new phase-out proposals were quickly brought before the provincial premiers.

¹²This appeared to be tacit acknowledgement that the greater use of TVTA funds for high school systems of wealthy as opposed to poorer provinces served to widen the difference in educational opportunities available in Canada at that level of education.

"the first priority" of the current talks (Ibid., p. 2). Basically, the Federal Government offered to assist the provinces by transferring to them four equalized points of personal income tax and one of corporation income tax augmented by unconditional program equalization payments which would bring the total compensation up to 50 per cent of the operating costs of post-secondary educational institutions in each province.¹³ (Ibid., p. 6). However, the measure of expenditure (50 per cent of operating costs) need not be applied. Provinces would be permitted to use an optional amount of \$14 per capita (roughly equivalent to the national per capita expenditure on post-secondary education), or the 50 per cent factor, whichever was to their favour (Ibid.).

These arrangements would, according to Pearson, replace all the present federal-provincial programs in support of post-secondary education in Canada (Ibid., p. 7). Of particular importance, in the eyes of the government was that all such institutions as universities, technical schools and community colleges would be treated alike. Thus the anomaly of the then present substantial federal support for post-secondary technical institutions as opposed to other institutions would disappear. Provinces

¹³A detailed description of federal assistance to secondary education arising from the proposals of 1966 is given in Reference 5.

would no longer feel the weight of federal bias towards a particular institution (Ibid., pp. 7-9).

Adult Training

After dispensing with the TVTA Agreements and announcing a new program of support for post-secondary education, Pearson then outlined the federal position on the training of the labour force. In what must be regarded as a most important policy statement, Pearson defined "education" and the role of the senior government therein. Education in the sense of youth training was unquestionably a provincial concern. However, the scope of provincial jurisdiction was not, in the federal view, all encompassing. The government's position of 1966 merits quotation:

Once the normal process of education for an individual has been completed and that individual is established in the labour force, measures of training thereafter to fit him to the constantly changing requirements of a rapidly changing technological world are not "education" in the constitutional sense. They are measures designed to ensure the maximum possibility of effective participation in production. They are measures to reduce unemployment; to increase the productivity and earnings of Canadian workers:...

In short, the Federal Government believes that it has a constitutional and necessary role in the training and development of our adult labour force for economic growth and full development (Ibid., p. 9).

Having defined a place for itself in education, the Federal Government (through Mr. Pearson) then outlined the specific functions it would undertake in adult training.

It would:

- (1) assume in full all training allowances granted to adults;
- (2) remove the criterion of unemployment as a precondition to receipt of training (the underemployed as well as the unemployed were to receive upgrading);
- (3) as of April 1, 1967, undertake to act as the purchaser (in full) of adult training (Ibid., pp. 9-12).¹⁴

In regard to the latter function (purchasing training), it was made clear that the Federal Government would not itself act in a training capacity. All actual training would be done through provincial facilities, industry, or, on consultation with the province concerned, private agencies. In all cases Ottawa would pay the full amount of the cost of this training. The Federal Government was prepared to accept the long-term amortization costs for capital equipment as part of operating expenses. This, plus the expressed willingness of the federal authority to provide loans¹⁵ toward the construction of facilities meant that in theory a province would be able to meet the training needs of adults completely "out of pocket" (Ibid.).

¹⁴See also Page, "Canadian Manpower Training and Education," (43, pp. 4-7), and Department of Manpower and Immigration, "OTA - Government's Answer to Adult Training," (9).

¹⁵According to an official of the Department of Manpower and Immigration, the Federal Government was (as of July, 1969) still not in a position to provide such loans to the provinces (39).

However, the identification of training needs, the classification of adults, and the selection of those to be trained were all functions which were to reside with the federal authority. Further, according to Pearson, Ottawa would only be interested in the type of training which could be provided in courses of not more than twelve months duration (Ibid., p. 12).

Provincial Reaction

Provincial reaction to the federal declaration to end the TVTA agreements was largely that of surprise and concern. The Premier of Ontario, for example, was quoted as saying that his province had no indication that the agreements would be abandoned so abruptly (60, October 25, 1966). A major complaint voiced by some provinces, was that in the absence of any clear cut federal statement prior to the October conference, they had committed themselves to the support of many requests from school boards for capital expenditures beyond those already approved under the TVTA agreements (30;40;54). When the anticipated extension of the Act did not occur (a decision regarded by some provincial authorities as of an eleventh hour nature), comments were made to the effect that the provinces had been left "holding the bag" (30;40;54;60, October 25, 1966, p. 9).

Ontario's Premier Robarts, for one, claimed that his province would lose money under the new arrangements.

The new grants for the support of post-secondary education would provide between \$7,000,000 and \$13,000,000 less than Ontario had expected to receive under an extended TVTA Agreement (54;60, October 25, 1966, p. 2). Whereas the Federal Government estimated that its new support program in higher education would provide the provinces with some \$90,000,000 more than the TVTA arrangements, the provinces were reported as being unable to see even a \$9,000,000 increase, if that (60, October 25, 1966, p. 9).

According to a writer who investigated the course of the conference, the basic spadework concerning the real impact of the new policy on the provinces had simply not been done by the Federal Government (13, p. 70). An official who participated in the financial discussions echoed this view and remarked that the federal people had dealt in unrealistic "guesstimates" (Category "B").

Initial reaction to the federal proposals for adult training were equally vigorous and, particularly in the case of Quebec, strongly negative. The distinction between "education" and "adult training" was questioned. Initially Quebec representatives denied Ottawa's claim to a role in education in support of manpower (60, October 24, 1966, p. 2).¹⁶ Remarks made by Quebec's Premier Johnson

¹⁶ Quebec's position was not surprising in light of comments made in the previous spring by the Minister of Education (Paul Gerin-Lajoie). While granting that the Federal Government might seek to promote economic objectives the Minister declared, "Education is not included as one of the means confided to the Federal Government for this or any other objective" (19, p. 8).

could hardly have been of less comfort to the government. While objecting to practically every proposal as "ill prepared nonsense" Johnson added that the financial offerings from Ottawa could only be acceptable if they were unconditional and in greater amount (25, p. 9).

On the second day of the conference (October 25, 1966), the Minister of Manpower and Immigration (Jean Marchand) presented a strongly worded rebuttal to the reaction of the provinces (34, pp. 1-5). There was no prospect that the TVTA Act would be continued. The Federal Government was determined to get out of shared-cost programs in education (Ibid., p. 5). In regard to the question of federal assumption of a role in education Marchand argued that his government was not really making a distinction between kinds of education but rather between the needs of students in the ordinary sense, and the needs of "... men and women who are or have been earning their living but who need further training or re-training for productive employment" (Ibid., p. 3).¹⁷

The distinction appeared to satisfy the Quebec delegation. Johnson indicated a willingness to accept the government's adult training plan "on an experimental basis" (60, October 27, 1966). Further, the Quebec Premier now

¹⁷This concept of differences in needs being met by different levels of government became a standard argument in support of a federal role in adult training (see Kent, Reference 28, p. 3).

viewed the federal proposals for aid to secondary education as praiseworthy. All that remained in dispute was the matter of how much aid (Ibid.).

Ontario's delegation, on the other hand, was reported as still extremely displeased with the TVTA phase-out proposals (Ibid., p. 1 and p. 9). It was estimated that by March 31, 1967, Ontario's expenditures for facilities under the TVTA Act would reach \$700 per 15 - 19 year old (Ibid.). Thus that province had used up its entire entitlement for \$480 per capita cost-sharing at the 75-25 rate and, since Ontario's expenditures were the highest in the nation, would receive no further benefit from the proposed phase-out. Commitments made to school boards (in anticipation of the continuation of the Act) would have to be met entirely from the provincial treasury. Ontario had also counted on the use of funds available under the TVTA Act to greatly expand facilities at the post-secondary level of education. It had been anticipated that the Colleges of Applied Arts and Technology (CAATs) proposed for the province would receive 50 per cent of capital costs from the federal treasury (53, p. 302).

The Pearson government was apparently receptive to the contention that some of the provinces were "over-committed". On the third day of the conference the Prime Minister stated:

... my colleagues and I have been impressed by one of the major points made on behalf of the

provinces. It is that we should take more fully into account the expectations of the provinces that we would continue to make capital grants for the construction of vocational high schools, technological institutes, trade schools and other facilities for technical and vocational training (48, p. 1).¹⁸

Accordingly, the government presented a revised phase-out plan to the provinces. Instead of an estimated \$275 million withdrawal fund, Ottawa proposed a quota of \$800 per 15 - 19 year old (1961 census) for capital expenditures. The quota was to consist of the previous \$480 figure for 75-25 sharing plus an additional \$320 which the provinces could earn on a 50-50 cost-sharing basis. The Federal Government estimated that this would not cost the central treasury some \$548 million or nearly double the original proposal (48, pp. 1-2). Further, instead of a specific time limit, the provinces could obtain their funds over an indefinite period. As Pearson put it:

Provinces will be able to apply the grants, within the general purposes of the training program, when and how they wish (Ibid., p. 2).

In Table XIV provincial allotments under the \$800 quota are presented as are receipts of federal funds to

¹⁸One conference observer was of the opinion that Mr. Pearson and his cabinet were prepared to revise the TVTA phase-out "largely to placate Mr. Robarts and gain his support for the university program". (61, p. 9). Doern was of the view that the phase-out was revised because Ottawa had underestimated the real impact of its initial policy on the provinces (13, p. 70).

March 31, 1969.

It may be seen from Table XIV that the phase-out arrangements for the Capital Expenditures Program alone required a total federal contribution of over a billion dollars (\$1,146,047,200). Without belabouring the point, this figure obviously contrasts markedly with the \$90,000,000 estimate Starr gave the House of Commons in December, 1960, and the \$190,000,000 figure suggested by the Training Branch in 1961. In addition, the total number of spaces for technical and vocational training estimated at 108,000 in 1960 (20, p. 397) had been increased during the period April 1, 1961 to March 31, 1968 by 496,298 new spaces¹⁹ (460 per cent) as a result of expenditures under the Act. In 1960 Starr had set a goal of a 50 per cent increase in the number of students trained (Chapter V). Given that the duration of training in 1968 was, on the average, similar to that of the pre-TVTA era, it is apparent that the "goal" was substantially exceeded.

Phase out of the remaining programs. In addition to those provisions designed to soften the impact of its withdrawal from the Capital Expenditures Program, the Federal

¹⁹The figure given in the Department of Manpower and Immigration's Annual Report of 1968 was 439,952 new spaces. (8, 1968, p. 63). However, this figure was actually that for 1967 and had apparently been erroneously inserted in the 1968 Report. The 496,298 figure was obtained by totalling provincial accounts of student places.

TABLE XIV

TVTA FEDERAL CAPITAL GRANTS FINAL ALLOTMENTS

Province	Allotment (\$800/capita) October, 1966	Payments to 31st March/69	Per Cent of Allotment Received
Nfld.	35,063,200	22,358,946	63.8
P.E.I.	7,100,000	2,925,384	41.2
N.S.	51,391,200	29,816,445	58.0
N.B.	42,811,200	17,242,313	40.3
Que.	373,940,800	230,825,345	61.7
Ont.	349,506,400	325,569,766	93.2
Man.	56,646,400	22,950,359	40.5
Sask.	58,291,200	29,718,575	51.0
Alta.	79,203,200	75,531,363	95.4
B.C.	90,122,400	54,460,387	60.4
Y.T.	612,000	957,820	154.6 ¹
N.W.T.	1,359,200	70,444	5.2
Canada	1,146,047,200	812,427,147	72.2

¹The Yukon was paid in excess of the \$800 per capita allotment before the quota was set.

Source: Unpublished working paper released to the writer from the Department of Manpower and Immigration.

Government continued through the fiscal year of 1968 to support training schemes or projects which had been initiated under one or another of the ten remaining TVTA programs. This final assistance reached the substantial total of \$85,636,863.00; a figure over two million dollars greater than expenditures for the same programs in any of the previous fiscal years of the Act (8, 1968, p. 62).

Estimation of Total Expenditures

While final payments under the phase-out arrangements of the TVTA Act have yet to be made, it is possible -- given the terms of the arrangement -- to make a reasonably accurate estimation of what federal and provincial expenditures eventually will be. Three major areas of expenditure may be considered: (1) the Capital Expenditures Program; (2) Program 5, Training of the Unemployed; and (3) other programs.

(1) Capital Expenditures²⁰

Share Basis	Quota per 15-19 year old	(A) Federal Commit- ment	(B) Provincial Contribution
75-25	\$ 480	\$ 687,628,000	\$206,288,000
50-50	320	454,419,000	454,419,000

(2) Program 5, Training of the Unemployed

Note: The share basis of Program 5 ran from 50 to 90 per cent federal contribution to provincial expenditures.

The 75-25 basis was selected as the best estimate of the overall ratio.

²⁰ Data for these calculations were drawn from Annual Reports of the Department of Labour and Department of Manpower and Immigration. Estimates rounded to nearest whole \$1,000.

Share Basis	(A) Federal Contribution	(B) Provincial Contribution
75-25	\$113,996,000	\$ 37,999,000

(3) All other Programs Plus Phase-out Arrangements²¹

Share Basis	(A) Federal Contribution	(B) Provincial Contribution
50-50	\$334,645,000 404,000 ²²	\$334,645,000

Total Federal Contribution
(Sum of 1A, 2A, 3A) = \$1,591,092,000.00

Total Provincial Contribution
(Sum of 1B, 2B, 3B) = 1,033,351,000.00

Grand Total = \$2,624,443,000.00

As a working estimate then, the figure of \$2.6 billion may be used as approximately the combined federal-provincial expenditures which will ultimately inhere under the Act.

Revision to the phase-out arrangements. The federal proposals for ending the TVTA Act, as made at the October Conference of 1966, defined neither limits in time or amount

²¹Apprenticeship Training -- a separate Agreement -- not included in these figures.

²²Program 8 contributions in which Federal Government paid 100 per cent of costs.

in regard to provincial claims on their quota of funds. However, the Federal Government prescribed limits to provincial claims effective in the 1969 fiscal year. For the province of Quebec which had some \$143,114,455 left to claim as of 31 March, 1969 (Table XIV) the limit was set at \$34,600,000 (24 per cent of the unclaimed quota) (23, pp. 40-41). This restriction generated strong reaction from Quebec's Minister of Finance:

Dans cette perspective, la decision unilaterale du gouvernement federal de fixer sa contribution pour 1969/70 a un maximum de \$34,584,000 constitue une violation flagrante d'un accord ecrit intervenu entre Ottawa et Quebec (Ibid., p. 41).

It was anticipated in Quebec that TVTA contributions for the 1969 fiscal year would be in the neighborhood of \$60 million (2). The federal decision to allot the province some \$25 million less than anticipated was regarded as a potentially serious disruption of educational planning which might necessitate the imposition of a special tax (23, p. 41; 2).

In Ontario and Alberta, Department of Education officials appeared to regard the federally imposed quota on TVTA capital grants as more of a nuisance than a problem (30; 39; 53). It should be noted, however, that as of 31 March, 1969 these latter provinces had less than 10 per cent of their allotment unclaimed, while Quebec had 38.3 per cent (Table XIV).

The End of the Act: A Surprise to the Provinces?

The provinces greeted the news of the phase-out with shock, dismay and cries of anger. Although they knew the deadline for the grants was near, they had never really believed they would stop, and some had made commitments in the belief that Ottawa would continue the program (61, p. 9).

The preceding quotation from an editorial in the Toronto Globe and Mail which appeared during the course of the October 1966 conference indicates that the provinces were genuinely surprised that the TVTA Act was to end. Officials in the vocational education field from the west (Alberta), the east (Nova Scotia), and central Canada (Ontario), interviewed by the writer all echoed the theme that the federal decision to end the Act came as a surprise (30; 34; 40; 54). Two main reasons were given for this reaction from the provinces: (1) a belief that Ottawa, having induced the provinces to become heavily committed in vocational education, would not drop out at this stage; and (2) a late decision would not provide sufficient lead time to change construction programs.²³ Thus any late announcement would contain only minor, not major modifications. A revamping of the entire system at the "eleventh hour" was simply not envisaged.

It was obvious in interviews with various federal personnel that the suggestion that the "rug had been pulled

²³ Officials from Ontario were particularly vehement on this point (30; 54).

from under the provinces" at the 1966 conference was still a sensitive point in 1969. One federal official in close contact with the demise of the Act expressed the view that the provinces took the Act for granted, may have made long range commitments and "didn't want to know" that the end was coming (Category "B"). Reference was made to a meeting of the National Technical and Vocational Training Advisory Council held in May, 1966, in which Kent (as Deputy Minister of Manpower and Immigration) was "as clear as he need be" (Ibid.).

The minutes of that council meeting do reveal that the Deputy Minister and his Assistant Deputy Minister (G. C. Duclos) had some extremely critical comments to make about TVTA programs. Kent was reported as expressing considerable concern over "inadequate performance" in program implementation (41, pp. 18-19).²⁴ The accomplishments of Program 5 in the training of the unemployed were called to question (Ibid., Appendix "C"). These and other remarks (especially by Assistant Deputy Minister Duclos (Ibid., p. 18), certainly indicated that the government was dissatisfied with the TVTA Act and changes were being

²⁴ According to the Training Branch Director (Ford) and an Ontario representative (Sisco), Kent's actual comments were to the effect that "nothing significant had been done in technical and vocational education in the past twenty-five years and the government was not going to do what should have been done twenty-five years ago" (18, 53). It appears that the official Minutes presented a "softened" version of the comments.

contemplated. Nevertheless, there was no direct statement by the government that the legislation would be brought to a close. The absence of any clear declaration about the future of the TVTA prompted the provincial Directors of Technical Education to present this statement to the 1966 May conference:

A matter of major concern with the Directors is the status of the Federal-Provincial Training Agreements which are currently scheduled to terminate March 31, 1967. The Directors wish to report that they are highly alarmed that no information is as yet available as to the continuation or otherwise of the Agreements (41, Appendix "I", p. 2).

There is little doubt that there were numerous indications as to federal disenchantment with shared-cost programs (reviewed earlier in this chapter). Further, the suggestion that the provinces "did not want to know" that the end of the Act was coming, in retrospect seems to have merit. Nevertheless, the basic federal decision to drop the TVTA Act in its entirety and to move into the purchase of adult training was developed without benefit of a preceding Federal-Provincial dialogue²⁵ and, from the evidence available, was made shortly before the October Conference at which the end was announced. In regard to

²⁵ Provincial representatives (30; 40; 54; 58) noted the unilateral nature of the decision, while a federal official who participated in the discussions concerning the kind of program that should be developed to follow the TVTA stated that the "extent of the change in the Federal Government's approach was not disclosed until that conference" (Category "B").

the late decision, it should be understood that while the intent of the Federal Government to get out of shared-cost programs may well have been formulated long before October, 1966, the actual Cabinet decision to let the TVTA legislation lapse in favour of support to post-secondary institutions and to adult training was not made, it would appear, until shortly before the Conference.²⁶

The lack of advance notice and the lateness of the Cabinet decision are both indicated in the following remarks of a provincial official who attended the 1966 Conference.

Two weeks before that Federal-Provincial Conference of 1966 when they came out with the OTA (Occupational Training Act), we were still trying to get guidance from the Federal Government. As you know you just can't stop building programs. So we were going ahead and approving projects and at the same time pleading with Ottawa for some indication, some assurance that even though The Act was terminating, it would be re-negotiated.

... Looking back to the original notification, we weren't advised of anything really until we hit Ottawa on that Sunday night prior to the Conference (October 23) -- which was due to start the next day. And as far as we've been able to find out the Cabinet ratified that on the Sunday afternoon(54).²⁷

Stewart (Executive Secretary of the Canadian Education Association) stated in an interview with the

²⁶Sharp's comment, page 297, made in September, 1966, that Federal participation in technical and vocational training was "under review", suggests that a Cabinet decision had not been made at that date.

²⁷A federal official who had participated in the financial discussions with the provinces at the Conference (but declined to be quoted) also indicated that the official decision had been made "very late" (Category "C"). The same point was made in the Toronto Globe and Mail (60, October 25, 1966, p. 9).

writer that in his view the end of the Act came as a complete surprise to the Ministers of Education (57). Further, while federal officials could claim that in certain speeches and at certain times due warning was given, it was unrealistic to expect that provincial ministers reading the same speech in a different context would necessarily see the same implications (Ibid.).

Two further points regarding provincial "blindness" circa 1966 to the forthcoming end of the TVTA legislation are worthy of note. First, previous federal Acts in technical and vocational education had continued beyond established deadlines or been modified and continued in some manner. By 1966 the federal government was in its thirtieth continuous year of shared-cost programs in technical and vocational training. In light of past experience, the total collapse of such programs seemed unlikely. A second point is that while there may have been indications from some elements at Ottawa that a new approach was forthcoming, there were also those elements present which projected the view that Ottawa would remain in shared-cost programs in technical training.

It became clear in the investigation -- particularly in the research carried out at Ottawa -- that a schism had developed in the federal civil service between those who favoured the continuation of the TVTA legislation and those

looking for a new federal approach to manpower development.²⁸ This difference in viewpoint at the federal level could but further confuse provincial perception of what was coming. Kent's carefully worded description of the situation follows:

I think the feeling had gradually grown up among a lot of people in Ottawa who were looking at priorities that it (the TVTA Act) should not remain an open-ended program. But bluntly, once an open-ended program has been established, the forces that want to keep it open-ended are strong. There are the people in Ottawa whose pet the program is -- and rightly so, I don't use that in a critical sense at all -- and of course efforts on the part of the provinces to keep it open-ended are very strong. The pressure from the provinces -- a pressure which I think the Department of Labour had tended to be disposed to respond to (underlining mine) -- was to broaden the program on a shared-cost basis both as to the type of current expenditures that were supported and as to the type of schools that were supported under the capital grants. So the people directly involved in the program, so far from thinking about restrictions, were really tending towards a broader range to the open-endedness (underlining mine) (29).

After a discussion concerning approaches to overcoming reluctance to change, Mr. Kent was asked if the personnel in the Training Branch felt that the TVTA Act would continue. In reply, Kent stated that they had assumed it would go on (Ibid.). The following exchange then ensued:

Question: And this was reflected in the attitude of the provinces?

²⁸Ford, for example, recalled some "very heavy sessions" with certain senior civil servants who were "obsessed with the idea of cutting out all cost-sharing with the provinces" (18).

Mr. Kent: Yes, that's right. And the decision to change it (the TVTA Act) was part of a package of government decisions at the time. It was the decision of ministers and senior officials from a number of departments concerned about the overall structure and priorities of federal economic and social policy and with the nature of Federal-Provincial arrangements. It did not originate in the recommendations of the people who were running the TVT program (underlining mine) (Ibid.).

Demise of The Training Branch

The decision to allow the TVTA Act to lapse led ultimately to the disappearance of the Training Branch. In 1965 Ford had predicted that the role of the Branch was not likely to change in any other way except to expand (16, p. 12). Two years later the Branch was all but dead. Ford, in 1969, believed that the Training Branch was brought to an end through deliberate planning (18). Some others in Ottawa, were of the same opinion.²⁹ According to Kent the basic process of overcoming vested interest in the TVTA legislation was first to see that people who did believe in the change were put into positions of responsibility (29). Not mentioned by Kent, but apparently the case, was that personnel who remained imbued with the shared-cost principles of the TVTA legislation, were progressively isolated from positions of responsibility. The Training Branch was transferred to the new Department of Manpower and Immigration

²⁹Category "C" information.

(January 1, 1966). Haythorne, who had been intimately involved with the genesis of the TVTA legislation (Chapter V) remained in the Department of Labour as its Deputy Minister (6, 1966, pp. vi-vii). Ford, with six days to go before an anticipated second extension of duty beyond his scheduled retirement date, was advised in the summer of 1966 that the extension would not be granted (Category "B"). It was Ford's view that with the advent of the new legislation, members of the Training Branch were simply given nothing to do and as a consequence "... one by one people from the Branch left to take positions of responsibility elsewhere".³⁰ (18).³¹ The Training Branch, however, was never officially dissolved. In a later reorganization of the Department of Manpower and Immigration the Training Branch became the "Programs Branch" (33). Senior staff personnel were now men who had been trained as engineers or economists (Category "C"). Personnel with training in education (such as Ford and Glendenning) were no longer to be found among the decision makers of the Branch (Ibid.).

³⁰In this regard, senior members of the Branch during the period in which the TVTA Act was in effect, were not to be found in Ottawa in the summer of 1969 during the visits of the writer. For example, R. H. MacCuish, Ford's successor, had taken a position in Halifax as Assistant Regional Director of Manpower for the Atlantic Provinces and Dr. D. Glendenning had become the principal of Prince Edward Island's Technical Institute which was then being planned.

³¹Ford was of retirement age as of 1965. He had received one extension and had applied for a second (Category "B").

The Training Branch as constituted during the life of the TVTA Act had, by the summer of 1969, simply ceased to exist.

III. A SAMPLE OF VIEWS OF THE TVTA ACT IN RETROSPECT

In this final section of Chapter VII certain views held by those interviewed concerning the Act in retrospect are presented. Two main issues are discussed. The first is concerned with the general topic of "federal control" as seen by those interviewed, while the second deals with interviewee interpretation as to what was significant about the TVTA Act.

Comments on "federal control". All provincial representatives and most federal officials were asked two questions concerning federal direction of technical and vocational training in Canada through the life of the TVTA Act. The first was a direct question as to whether the individual concerned judged that Ottawa exerted direct control or "dictated" in education through the Act. The second question was of a hypothetical nature and was asked, in part, to validate the first inquiry.

Question: Had the TVTA Act funds been available on a shared-cost basis for "education" in a general sense, would technical and vocational education have received the emphasis it did under the Act?

This latter question is of a more specific nature than simply reference to "control". It was hoped that respondents would in effect be commenting on the proposition by Breton (Chapter II) that subordinate governments will not, on their own initiative, provide an optimum level of those goods and services deemed to have "spill-over effects".

In regard to the question of "dictation" there was some tendency on the part of officials in both Ontario and Alberta to suggest that less prosperous provinces were in fact being dictated to but that this applied in only a limited sense to themselves (4; 30; 40; 54; 58).

Officials of other provinces tended to regard the term "dictating" as an overstatement of the case but were cognizant of financial influence. The following quotation from a Quebec official reflects this point of view.

"Dictating" is a strong word. No doubt the many strings attached to the agreement did not leave to the province enough autonomy in deciding how the money should be spent according to its own needs and priorities (37).

The point that provincial priorities were altered by the TVTA Act was a theme common to most of the responses to the question of federal "dictation" to the provinces, and to the hypothetical question concerning provincial emphasis on vocational education if general rather than specific matching grants had been offered by the Federal Government. The following provincial responses have been selected as representative replies:

From Nova Scotia:

My guess is that it would have developed in a different way. Certainly the need for expenditures in vocational education was there. But had the money been unconditional we might well have had a different emphasis relatively on vocational and other education (34).

From Saskatchewan:

I think the Federal Government had its reasons for pressing for vocational education but, at the local Saskatchewan level, I doubt that a need for technical training would have been seen to the same extent (24).

These answers are typical of those received from all but one of fifteen provincial commentators. The exception was a former Department of Education official from Quebec who was of the opinion that in his province things would have developed in much the same manner as a result of the recommendations of the Tremblay Commission on Vocational Education (3).

Comments from officials not employed by Departments of Education but in a position to judge the effects of the Act followed the provincial theme that priorities had been altered in the provinces. The Executive Secretary of the Canadian Education Association was of the opinion that while the Act had definite benefit for Canada it may have been somewhat too strong a tonic and that it certainly had "skewed education in the country in no uncertain terms" (57). A former senior member of the National Technical and Vocational Training Advisory Council was of the view that under a general grant scheme technical education definitely

would not have received the emphasis it did under the TVTA Act (Category "B").

Similar comments were made by officials from Alberta, Ontario, New Brunswick, and Newfoundland.

The significance of the TVTA Act. The final question put to each interviewee³² was "What in your view would you consider as most significant about the Act now that you've had an opportunity to look back upon it?" It was anticipated that the responses would be as varied as the individuals questioned. This was not the case. While there were many comments about particular local developments, virtually every respondent indicated that the Act had served to bring about a fundamental change in the attitude of Canadians toward technical and vocational training.³³ The following responses have been selected as typical of those received.

Perhaps now that I think about it, the development of a public attitude of appreciation for this whole area of training may turn out to be the most significant aspect of all (40).

It seemed to me that placing such tremendous emphasis upon vocational education it forced us in the provinces to be concerned with that area. In Alberta it led us to fill out the plans we had

³²Except in a few instances where only specific information was sought in an interview.

³³It should be noted that while the "change in attitude" was considered commendable, it did not necessarily follow that the TVTA legislation was considered as the most efficient or appropriate means to bring about the change. Rideout, for one, took care to make this point (50).

tentatively developed for vocational education. It caused us to see, to be concerned with its importance. I think this was probably most significant (4).

... as I've indicated it certainly gave an impetus to the provision of technical and vocational facilities. Maybe it focused our attention on that aspect of education and got us away from our preoccupation with the academic -- something we were certainly guilty of at the time (55).

I think that as incentive legislation it did a tremendous amount to broaden the definition of the word "education".... I don't think we will ever again return to a narrow view of education as essentially academic studies. I think that's gone forever and the TVTA legislation was something of a forced feeding which pushed that point across much quicker than would have been the case without it (54).

Diefenbaker's view of the TVTA Act as the legislation he personally considered as most noteworthy during his tenure as Prime Minister has been noted previously (Chapter V). It remains for that individual, C. R. Ford, who directed the progress of the legislation for most of its life, to give his assessment of its significance in the nation:

What was most significant about the program? That's a pretty difficult question.... I believe that certainly the buildings were important but perhaps the most important thing was that this program had changed people's thinking. That is what happened in Canada (18).

IV. CHAPTER SUMMARY

Chapter VII was devoted basically to a review of the ending of the TVTA Act. The lack of political credit,

differences in federal and provincial aims for the legislation, and a growing disenchantment with shared-cost programs were examined in connection with the demise of the Act. The events attending the Federal-Provincial Conference of October, 1966 were cited in some detail. It was at this Conference that the Provinces were advised that the TVTA bill would be allowed to lapse while the Federal Government intended to undertake increased responsibility in the financing of all post-secondary education and full responsibility for the training or retraining of selected adults in various occupations. In response to provincial reaction the Federal Government revised its original phase-out proposals to permit each province to "earn" \$800 per 15 - 19 year old in the Capital Expenditures Program. It was estimated that the combined contributions of Federal and Provincial Governments for all programs would total 2.6 billion dollars by the time all claims were met.

The suggestion had been made that the federal decision to end the TVTA Act had come as a surprise to the provinces. This contention was examined in the chapter and was then followed by a brief description of the demise of the Training Branch itself. Finally, some views pertaining to the Act as seen in retrospect by interviewees were outlined. There was general agreement that provincial priorities had been revised by the legislation. Finally,

the significance of the Act was seen by many of those interviewed as most important in developing the acceptance throughout Canada of vocational and technical training as an integral part of what may rightfully be regarded as "education".

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CHAPTER VIII

SUMMARY, MAJOR FINDINGS, CONCLUSIONS AND RECOMMENDATIONS

This final chapter includes a summary of the purpose, design and methodology, and findings of the research project. Some conclusions and recommendations are drawn from the major findings.

I. SUMMARY

Purpose. The essential purpose of this study was to conduct an historical survey and documentary analysis of the Technical and Vocational Training Assistance Act of 1961-67. Three related problems were selected as of major interest in the study of the legislation. These were the:

- (1) history of Federal-Provincial agreements in vocational education prior to 1960;
- (2) circumstances and controversy surrounding or closely related to the genesis and initiation of the Act; and
- (3) expenditures occasioned under the various provisions of the legislation.

Design and methodology. Having established three general areas as of most importance in the investigation and made the decision to concentrate primarily upon federal activities, an analytical framework was developed in order to obtain both direction to the study and a theoretical base from which to examine the data unearthed. The

analytical framework encompassed a general view of federations and grant schemes within federations, then narrowed to considerations specific to federal grants to provinces. In this regard Breton's theory concerning the necessity of conditional grants in federations for the achievement of national aims through subordinate governments was given some prominence. Arguments relative to shared-cost programs in education were noted against the general background of the Canadian constitution. Finally, the framework included a model developed and used by Meranto for the examination of legislative change.

From the analytical framework specific "exploratory areas", framed as questions, were developed. It was understood that these exploratory areas were designed as entry points to the broad subject field with the aim in view to probe for data relevant to the three related problems specified as basic to the study. As anticipated, certain exploratory areas proved more rewarding than others. Where this occurred, the general flexibility of the design of the study permitted greater or less emphasis as appropriate.

Documents and interviews constituted the sources of data. A cross-checking technique was developed to identify individuals familiar with those aspects of the TVTA legislation under investigation. Interviews followed a basic format with provision for specific questions pertinent to the individual interviewed. Procedures for collecting interview

data included the tape-recording of interviews (where permitted) and subsequent preparation of transcripts. Except where an outright release of an interview was granted, transcripts were returned to interviewees for editing and authorization of material acceptable for attribution. Further procedures were developed for the utilization of information made available to the writer but for which direct attribution was denied.

II. CHAPTER FINDINGS AND CONCLUSIONS

Chapters IV to VII, inclusive, report the data obtained in the study. Major findings and conclusions for each of these chapters follow.

Major findings: Chapter IV. (Chapter IV was devoted to a review of federal involvement in technical and vocational education to 1957). Initial demand for federal assistance to technical and vocational education (training) came from forces external to the government. Prior to 1937 only the Conservative Party actually enacted federal legislation in support of such training. A Liberal government had, however, established a Royal Commission in 1910 to inquire into the state of technical and vocational education in the nation. The Commission's view of Canadian education was that it was overly oriented to the academic and a complete revamping of the provincial systems would be necessary to instill both

the intent and the capability to meet national needs for skilled, non-professional manpower.

The first federal venture into the support of training (agricultural instruction) apparently suffered from a lack of goals and direction. As a result, federal funds often simply replaced expenditures for on-going projects. Little progress, from Ottawa's view, ensued from this initial attempt. The first federal legislation specific to the support of technical and vocational education for an industrial society took place in Canada in 1919 with the passage of the Technical Education Act. Although the claim appeared in some of the literature that the Act arose as a result of the 1910 Royal Commission, evidence was produced which suggested that other factors were important in the genesis of the Act. Federal experience with vocational training as a result of World War I exigencies plus pressure from both business and labour had a part to play in the origin of the legislation. In both design and execution the Act of 1919 established a number of precedents which appeared in similar legislation throughout the historical period. These were:

- (1) Provincial activities in technical and vocational education were "encouraged" through shared-cost grant programs (normally of a straight matching type). The grants themselves were conditional, specific and, because a total allotment was pre-determined for each province, were fixed.

- (2) There were no provisions for equalization in regard to the differences in ability of the provinces to meet their share of the program.
- (3) Reasonably stringent requirements and supervision evident at the initiation of the federal program eventually yielded to broadened interpretations of the requirements and superficial federal examination. Routine replaced supervision as the provinces, in the later stages of the legislation, moved to "use up" their allotment.
- (4) Once a shared-cost allotment had been calculated and a Federal-Provincial Agreement signed, the provinces ultimately received "their" money. In order that this occur, penalty clauses and expiry dates were set aside.

It was the fate of the 1919 legislation, like the TVTA Act, to be enacted by a Conservative government and executed, for most of its life, by the Liberals. The latter Party ignored entreaties to continue the level of Federal support beyond the 1929 expiry date but did extend the time limits for the provinces to "earn" their allotments. Prior to 1937 the only objections the Conservatives appeared to have in regard to federal participation in vocational education was the cost of such programs. The Liberals, on the other hand, as epitomized in the arguments voiced by MacKenzie King, were reluctant to become involved in "provincial affairs" and inveighed against the practice of permitting expenditures by one government of funds raised by another.

The Rowell-Sirois Commission of 1937 recognized an

enlarged role for the central government in regard to unemployment but discouraged the use of shared-cost programs as a technique which Ottawa might use to influence these areas of responsibility constitutionally the prerogative of the provinces. Limited federal assistance to "Youth Training" in 1937 expanded dramatically during the Second World War to extensive federal involvement in a multitude of training activities. Three systems were used by the Federal Government to foster such training: (1) shared-cost programs with the provinces responsible for the training; (2) training for war purposes -- essentially training of servicemen -- conducted by federal personnel; and (3) training carried out by the provinces but purchased in its entirety by the federal authority. The latter system was the basic procedure instituted in 1967 to replace the TVTA Act.

The prosecution of the War saw the assumption of extensive powers by the federal authority plus the concentration at Ottawa of management personnel of considerable expertise. Thus the Federal Government emerged from the war in a position of strength vis-a-vis the provinces. The Vocational Training Coordination Act of 1942 became the basic legislation under which the Federal Government carried on its activities in training until 1961. Following the war the Liberal government affirmed its responsibilities for maintaining employment and was prepared to use the medium

of training as one of the measures necessary to obtain that end. An expanding economy eliminated the necessity of the government making extensive use of the "dislocation training programs" prepared in anticipation of an economic recession associated with a return to peace. The training of veterans, supported almost entirely by the Federal Government, became the central preoccupation of the Department of Labour's "Canadian Vocational Training Branch" in the years following the war. However, once the training of discharged servicemen had been completed, federal participation in technical and vocational training dropped sharply. From an appropriation of \$22.5 million in 1946-47, in which \$13 million was earmarked for veteran training, federal contributions in the first six years of the 1950's ranged between \$4 and \$4.5 million per annum. In these years approximately 90 per cent of all federal contributions went towards the general category of assistance to youth. Programs for adults were of a minor nature and included training for the unemployed. The major emphasis of funds directed towards youth training was for support of capital projects to provide vocational training facilities at the secondary school level. The cost-sharing schemes for the most part were on a 50-50 basis while provincial allotments, save for a minor flat grant per province, were calculated with reference to the 15-19 year old populations. Total federal contributions for technical and vocational training under the various Federal-Provincial

Agreements to 1957 was approximately \$120.7 million. Some increased interest in vocational education was evident in the action of the Liberal government, just prior to its defeat in 1957, in increasing grants for buildings and equipment. Quebec, however, refused to be a party to the new Agreement and thus the total proposed expenditure was reduced by approximately one-third and the national character of the legislation blunted.

Conclusions - Chapter IV. From the report of the 1910 Royal Commission, the fact of federal involvement directly in technical and vocational training during the 1914-18 war, and the passage of the 1919 legislation, it is evident that the provincial educational systems of the day were not seen as meeting the training needs of a nation progressing towards industrialization. Prior to 1937 the Conservative Party displayed a willingness to become involved in the constitutionally sensitive area of vocational education which was not matched by the Liberals. Indeed, Liberal antipathy towards the 1919 legislation and subsequent refusal to renew the Act not only militated against the effectiveness of the shared-cost programs and provoked provincial disenchantment with Federal initiatives in education but also called into question the appropriateness of the adage, at least in the Canadian political scene of the 1920's, that temporary grant programs become permanent commitments.

A point of considerable significance to the entire concept of federal involvement in technical and vocational training developed as a consequence of the "Great Depression" of the 1930's. Prior to that period the Federal Government had the option to participate or not participate in the support of such training. However, this option, in a political sense, virtually disappeared when the central government became the repository of responsibility for maintaining employment and meeting the needs of the unemployed. As long as a direct connection could be made, or could appear to be made, between technical and vocational training and the discharge of this responsibility, the basic question passed from a decision regarding participation to decisions concerning the means of effecting a federal presence in the development of skilled manpower.

The emergence of Ottawa from World War II with fiscal and management capabilities unmatched by the provinces placed the Federal Government in a position to make fundamental changes in regard to training and retraining in vocational education. However, the anticipated post-war recession failed to materialize. Having dispatched with apparent ease and efficiency the training needs of veterans, the Canadian Vocational Training authority was left with minimal demands for servicing the unemployed. As a consequence, federal participation in technical and vocational training shrank to what was by the early 1950's only token

involvement. Shared-cost programs essentially similar in design to the procedures of 1919 held sway. With the nation continuing to enjoy a booming economy, there was no urgency upon the government to explore other approaches. A minimum of post-war unemployment was reflected in only nominal federal interest in the training of the unemployed and the support of the educational infrastructure for skilled training.¹ Thus, following major efforts in technical and vocational training during the second World War the federal government, through the early years of the 1950's, had only limited experience with small scale, shared-cost programs in its immediate inventory to meet what was soon to become demands of major proportion for technical and vocational training.

Major findings: Chapter V. (Genesis and initiation of the TVTA Act). Unemployment was seen as a factor of over-riding importance among the circumstantial conditions associated with the genesis of the TVTA legislation. During the economic recession of the late 1950's and early 1960's the relationship between employment and training was made unmistakably clear when jobs for skilled workers went unfilled yet unemployment levels increased. Immigration (which had tended to mask the inadequacy of technical and

¹This is not to deny the very real concern of those individuals directly involved in technical training activities. The lack of concern was a reflection of government policy.

vocational training facilities in Canada) slackened, and exposed the gap between need for skilled manpower and domestic capacity to meet that need. A burgeoning population at the secondary school level, a result of Canada's post-war "baby boom", was seen as further aggravating the situation.

Diefenbaker's minority government of 1957 went to the people in 1958 on the issue that the previous Liberal government had deliberately concealed a damaging report on Canada's prospects for increased unemployment. The country granted the Conservatives a mandate of unprecedented proportion. Diefenbaker himself claimed an interest in developing technical and vocational training opportunities while his Minister of Labour, Michael Starr, responsible for federal programs in that area, expressed a similar concern. Also in the political field, a change of government in Quebec led to the declared willingness of that province to obtain its portion of shared-cost programs which the previous administration had foregone.

In regard to demands upon the government for action in technical and vocational training, major articulation came from sources immediate to Ottawa. The 1957 Royal Commission on Canada's Economic Prospects, presented parliament and public with clear warnings of impending difficulties in regard to manpower supplies. The Commission's findings had been based on data obtained from the Research

Branch of the Department of Labour. Consequently there was within the Department an awareness that "something drastic" had to be done in regard to Canada's capacity to train skilled workers. In parliament the Opposition pressed for action to relieve unemployment and repeatedly recommended training for the unemployed as a means to this end. Adding a further element to the scene was the presence of the "Vocational Training Advisory Council" which continued to request expanded government support to technical and vocational training.

When the government did move, it did so unilaterally and hastily. Starr, encouraged by his success with the federally initiated "Winter Works Program" preferred a direct approach instead of a dialogue. The legislation itself was prepared in October of 1960 for inclusion in the Throne Speech of November. A "new" bill rather than revamped Liberal legislation was both a recognition of political realities and the occasion for re-structuring the previous format. New features of the TVTA Act as compared to previous legislation were essentially:

- (1) increased support for training of the unemployed;
- (2) the elimination of a pre-determined ceiling for all but two of the new programs; and (3) increased federal contribution from 50 to 75 per cent of the cost of facilities (buildings and equipment). To encourage prompt reaction, the 75-25 rate was to be in effect for only the first two

years of the six year life assigned the Act. The Training Branch lent verbal persuasion to get projects underway "before the boom was lowered".

There was only limited parliamentary controversy over the bill during the course of its passage through parliament (December, 1960). Penetrating, in-depth review of federal involvement in shared-cost programs for technical and vocation education (training) failed to take place in the House. The debate did reflect Parliament's uncritical acceptance of technical training as a means to relieve unemployment. Indeed, the Liberals criticized the bill as not going far enough in regard to training those now unemployed. This, it was contended, was fully a federal responsibility. The question of the differences in provincial fiscal ability to make use of shared-cost programs was raised in the House but, despite a weak reply by the government to the effect that the extent of participation was essentially an educational decision which should remain with the provinces, the subject was not exploited by the Opposition. Further, there was no suggestion that the money was being provided in order that the provinces could meet their constitutional responsibilities. It was clear that both the Opposition and the government were in agreement that the funds were being voted to help solve the federal dilemma of unemployment. Arguments in regard to "federal control" were virtually non-existent in the debate. A major point scored by the

Opposition was that the Federal Government had less than a precise concept of specifics it expected to achieve under the legislation and was extremely vague as to how much money it anticipated would be spent. Starr advised parliament that the desires of the provinces, as ascertained by his Department, were to increase their technical training capacities by "50 per cent" and that their estimated requirement for capital expenditures for the next decade totalled \$90,000,000. These figures proved interesting in comparison with later events.

Conclusions: Chapter V. Meranto concluded from his study of the happenings in the United States Congress of 1965 that the major innovation of massive federal aid to education after a century of successive failures came about in a situation in which a series of incremental changes culminated at a point in time rather than from a single major event. (Chapter II). The same conclusion obtains in regard to the development of the TVTA Act in Canada some four years previously. While "unemployment" was obviously a factor of considerable dimension, it was clearly not the sole precursor to the legislation. Unemployment was, however, a particularly sensitive issue for the Conservatives after their landslide victory in 1958. Further, a number of factors served to focus attention on vocational and technical education as both a need of some significance in Canada and as a means toward the relief of unemployment. The political

fact that a government must not only take action, but be seen to take that action called for a new Act rather than the revamping of Liberal legislation.

Meranto further pointed out that any major controversial issue usually is not a single issue at all but a group of interrelated controversial issues which must be resolved somehow before basic change can occur. It was evident in the study of the TVTA Act that certain issues were resolved prior to the passage of the bill in parliament while for others the opportunity simply did not arise for an "issue" to become articulated as such. The problems associated with Quebec's refusal to accept shared-cost programs in education were resolved, at least temporarily, with the change in government of that province in 1959-60. A crushing majority, a bill similar to one previously enacted by the largest party in opposition, the apparent disinclination of Conservatives Diefenbaker and Starr to see grants to technical education as a constitutional "problem", all against a background of a parliament being pressured for action to relieve unemployment, were factors which effectively inhibited the development of "issues" regarding shared-cost programs in federations or the role of the Federal Government in education. In addition, without a Federal-Provincial dialogue prior to the framing of the legislation there was no opportunity for the foremost champions of "provincial rights", the provinces themselves,

to raise points of argument.

There was yet another point in regard to the genesis of the Act which bears on the lack of debate. Neither the Federal Government nor the Opposition had any clear idea that the Act would engender the degree of expenditure later realized. A bill which proposed assisting provinces to meet a \$90,000,000 capital investment over a period of some years and which followed the same pattern as legislation which had accounted for only a total of \$120,000,000 (approximately) in nearly half a century was not likely to excite the small Opposition to exert the sort of scrutiny which a call for a billion dollars of federal funds in the next six years would have demanded. Thus controversy surrounding the Act was more a function of its execution than its genesis and initiation.

Major findings: Chapter VI. (The Act in execution).

The TVTA legislation was formulated without clear specifics as to what it was expected to accomplish. In a gross way the Act was expected to "close the gap" between Canada's need for technically skilled manpower and her capacity to meet that need. Provincial estimates of required expenditures in technical and vocational education were doubled by the Training Branch and this figure (\$190,000,000) was then used as a working estimate. There was no evidence to indicate that the Minister of Labour or members of the Department of Labour were deterred by the prospect of

spending this or a higher amount of money. Nevertheless, the Act had no clear cut objectives or limits other than a vague "50 per cent increase".

With one rather striking exception, the federal grant structure used for the distribution of TVTA funds was similar to the Act which it superseded.² Whereas previous programs had a pre-determined quota for federal contributions, the TVTA funds for all but two of the original ten programs had no initial ceiling. Except for one program in which training was purchased outright, the grants were conditional and specific in that their use, at least initially, was clearly detailed. Because no provision was made in regard to the ability of the various provinces to meet their part of the shared-cost programs, the grants were non-equalizing. This open-ended feature meant that provincial per capita receipts of federal funds was entirely dependent upon the level of provincial expenditure. The grants were thus "variable" under this arrangement. The 1963 amendments placed a fixed quota on the availability of "25 cent dollars" (funds obtained on a 75-25 shared basis). However, the total amount of funds available on a straight matching basis (50-50) remained open.

The extent of provincial reaction and the consequent demands on the federal treasury during the first two years

²The Vocational Training Coordination Act of 1942.

of the Act were clearly not anticipated by the Federal Government. By 1963 the federal authorities had approved contributions from its treasury which were over 2000 per cent greater than expenditures in the same area in the two year period preceding the TVTA Act. Federal estimates of expenditures for each of the first two years of the Act were approximately one-third of actual requirements.

Over four-fifths (82.4 per cent) of the federal contributions in the first two years went toward facilities (capital and equipment). This emphasis upon the Capital Expenditures Program continued through to the original expiry date of the legislation (March 31, 1967), at which time 70.37 per cent of all federal contributions had been under the single program. Other programs, in descending order of expenditure, were: Program 5 - "Training For The Unemployed" (13.54 per cent); Program 3 - "Trade Training" (8.6 per cent); and Program 2 - "Technician Training" (4.44 per cent). All other programs in combination totalled only 3.05 per cent of total expenditures to March 31, 1967.

An important finding in the study was that during the first two years of the Act when the open-ended 75-25 split was in effect, there was no significant rank-difference correlation between provincial per capita earned income (a measure of wealth) and federal contributions to the Capital Expenditures Program as claimed by the provinces. Newfoundland, tenth in per capita earned income, led all

other provinces by claiming \$46 per capita (\$480 per 15-19 year old). Quebec, sixth in per capita earned income, was tenth in claims for Capital Expenditures (\$4.50 per capita, \$51 per 15-19 year old). A rank-difference test for correlation between federal contributions per capita and earned income per capita was conducted on each of the four major areas of expenditure (Capital Expenditures, Programs 5, 3, and 2) for the period April 1, 1961 to March 31, 1967. In no instance was a correlation significant at the 0.05 level of confidence obtained. There was, however, a significant negative correlation between wealth and the proportion of federal funds the provinces claimed in support of operating costs. The richer provinces tended to "earn" a lower proportion of their federal TVTA receipts for claims against operating costs than did the poorer provinces. This fact warrants consideration in connection with another finding of Chapter VI that the legislation was deliberately constructed so as to permit provinces to earn a higher return in operating costs for technical, trade, and special schools as opposed to vocational areas of composite type schools. A further finding in the general area of costs was that a significant correlation existed between provincial wealth and the number of new TVTA student places expressed as a proportion of the 15-19 year age group. For example, Ontario which stood second in terms of per capita earned income provided a number of student places equivalent to 50.4 per cent of its 15-19 year age group. On the other

hand Newfoundland, which stood tenth in income, provided a number of new places equivalent to only 8.8 per cent of its 15-19 year age group. As a final point in regard to wealth and provincial reaction, a significant rank-difference correlation was seen to exist between provincial increases in TVTA receipts and provincial per capita earned income for the 1963-67 period.

From the provincial point of view it was apparent that wide differences existed among the provinces in regard to their readiness to take advantage of the TVTA Act. For example, the decision in Newfoundland to forego additions to the regular school system in favour of a whole new system of trade schools meant that a great deal of construction could get underway very shortly after the Act was passed. Quebec, in the throes of a complete re-ordering of its educational system, was not ready or willing to embark on vocational education building programs until it became clear how the end product of such endeavours would fit into that province's revised plans. In Alberta the funds found relatively prompt usage in broadening a vocational education program (composite high schools, technical institutes) which had been in existence for a number of years. The movement in Ontario for expanding vocational offerings at the high school level found ready support when it could be seen that with but minor modification, TVTA funds could be used for that purpose. It was further noted that in these latter two provinces (Alberta

and Ontario) the willingness of the respective governments to meet all of the non-federal share of approved projects and thus provide local school boards with virtually free³ vocational training facilities became an immediately popular measure at the local level.

Federal contributions throughout the years originally designated for the Act were on a scale higher than any previous payments to technical and vocational education. In four of the Act's six years federal contributions were higher per annum than the combined totals of all previous federal payments under the various training assistance Acts which preceded the TVTA legislation. By March 31, 1967, a total of \$841,882,000 had been transferred to the provinces from the federal treasury under the terms of the Act. Projects approved as of that date, but not completed, raised the required federal contribution to over a billion dollars (\$1,041,654,215). As will be noted in the discussion concerning Chapter VII, phasing out commitments added substantially to this total.

Conclusions: Chapter VI. It was clear from the data obtained in the study that the extent of expenditures engendered under the TVTA Act was not anticipated at its initiation. Prominent among the factors contributing to what

³While the buildings and equipment were "free", the operating costs were not.

might well be termed "runaway expenditures" were the following:

- (1) a failure on the part of the Federal Government to translate into concrete operational objectives, complete with cost estimates, the broad goal of general improvement in Canada's capacity to meet her needs in regard to training skilled workers;
- (2) the open-ended nature of the legislation and the 75-25 cost-sharing format in effect for the first two years;
- (3) a lack of federal appreciation of the school "housing problem" faced by the provinces; and
- (4) the difficulty of attempting to impose post hoc limitations on the legislation once underway.

While Federal-Provincial Agreements did establish quite specific requirements as to the conditions under which projects would be approved, the total number of such projects, and consequently the total expenditures largely remained decisions which fell outside Ottawa's boundaries. In fact, the decision-making as to the extent of the program passed to the local level in those provinces where the Act had been accepted as part of the regular school program and school boards given leave to apply for "free" schools. The open-ended plan with its generous federal support for facilities undoubtedly fulfilled the federal desire to get work underway at once. The financial features of the TVTA Act would be attractive even under less demanding circumstances for the school systems of the nation. In combination with the fact that throughout Canada local boards in general were faced with

a school housing shortage, the end result was a demand for student places which had not been foreseen. While the post-war "baby boom" had been identified at Ottawa as potentially contributing to unemployment, local boards were confronted with the immediate problem of simply finding sufficient space for a vastly increased high school population. This factor, plus the increased attention given technical and vocational education together with the sudden availability of federal funds undoubtedly proved a most compelling siren to excite the expenditure of provincial funds. It is obvious too that once a project had been approved in one area a precedent had been set for its approval in other areas not only within the boundaries of a single province but throughout the nation. Further, any expectation that the provinces would be content to allow the existence of a discrepancy in per capita allotments of "non-equalizing" grants to technical and vocational education was, in light of past history, clearly fatuous. With political realities of the time such as they were, the decisions which led to Newfoundland's acquisition of \$480 per 15-19 year old of "25 cent dollars" for facilities (the highest in Canada) virtually assured that the same amount per capita would inevitably fall to the rest of the provinces. That set of decisions alone cost the Federal Treasury \$687,620,000 in contributions to buildings and equipment. Any suggestion that parliament retained complete control over TVTA expenditures

once the plan was underway runs counter to the realities of then existent federal decision-making.

The absence of any significant correlation between provincial wealth and federal contributions received for the various programs both in the initial two years of the Act and later from 1961-1967, does not deny the concept that wealthy regions can and do take greater advantage of shared-cost programs than less wealthy areas. What was evident in regard to the TVTA Act was that provincial response to the shared-cost program in technical and vocational education was not predicated upon financial ability alone. In the Canadian federation the school systems of the provinces are, in many respects, disparate as well as complex. Thus it would be unlikely that a single federal Act featuring some measure of standard requirements would "fit" all the various provincial political, philosophical and planning circumstances in education. It would appear that there was a wide variation in the appropriateness of the Act for the provinces and that this was a factor in the differences of response.

Nevertheless, the effect of provincial wealth in regard to the TVTA legislation became evident in less obvious but nonetheless significant ways. Comparatively wealthy provinces such as Alberta and Ontario were able to ignore the directive features of the Act and concentrate most of their attention upon composite type schools whereas institutions apart from the regular school system (trade

schools, technical institutions, special schools) which were the federal preference, received greater emphasis in the poorer provinces.⁴ Thus there was evidence that the effect of federal direction inherent in the Act bore an inverse relationship to the wealth of the recipient province. It may be noted further that by 1967 the wealthier provinces were able to provide a higher proportion of their 15-19 year old population with vocational training places under the provisions of the TVTA legislation than less well endowed provinces. Provided the assumption holds that prior to the TVTA Act the richer provinces provided their 15-19 year old population with as high a proportion of educational training places if not higher, it would follow that the effect of the Act between 1961 to 1967 was to increase disparities between wealthy and less wealthy provinces in regard to the availability of educational training places. Finally, the significant correlation between wealth and the increase in federal funds "earned" by the provinces between 1963 and 1967 would appear to indicate that the wealthy provinces were, after the initial rush, tending to assert their ability to make more extensive use of shared-cost programs than poorer provinces. The fact that after each

⁴It should be noted that the question of what type of institution was "right" is not the subject of debate here. The issue at stake is the directive nature of the legislation as opposed to the wealth of the provinces.

province had earned its allotted share of "25 cent dollars" further federal contributions required a straight matching effort on the part of the recipients would also favour those provinces with the greater financial ability.

Major findings: Chapter VII. (The end of the TVTA Act). Three major factors were seen as associated with the demise of the Act. These were:

- (1) a dearth of political reward at the federal level;
- (2) differences in Federal-Provincial expectations for the Act; and
- (3) disenchantment with shared-cost programs in the Canadian federal system.

The belief was common in Ottawa that from the inception of the Act the Federal Government was not given due public recognition for its efforts under the legislation. In the political sphere this deficiency was a matter of some importance to its continuation. A further major point in regard to the end of the TVTA Act was that within the consortium of civil servants and political figures which formed at Ottawa after the Liberals came to power in 1963 the TVTA lost another "public". The policy of the Liberal Party supported the concept that the government's role in vocational training should be closely associated with meeting the needs of skilled manpower. Training of the unemployed or retraining of the employed, where such was considered necessary to maintain productivity in a changing technological world, was

deemed a federal responsibility. The TVTA Act was seen as deficient in meeting this federal task. The greater proportion of the federal contributions earned by the provinces went for facilities for training young people who had not yet entered the labour force. Even Program 5, specifically designated for the support of training for the unemployed, was seen to have a bias towards youth. Further, most federal contributions went where unemployment was lowest. Thus federal expectations for the Act as an instrument to train and retrain adult manpower were largely thwarted by the emphasis in the provinces on using TVTA funds to support the training of young people.

By 1964, after a year's return to power, it was clear that the Liberal government was looking toward other means than shared-cost programs for Federal-Provincial arrangements. Factors such as the appearance in Ottawa of a new style of economic theory plus a renewed concern (particularly in Quebec) for the constitutional rights of the provinces encouraged the emergence of "opting-out" legislation and militated against long-term, shared-cost programs. There was ample evidence by 1966 that such programs were objectionable to elements at both the federal and provincial levels and thus the likelihood of the continuation of the TVTA legislation in its present form was limited. However, there was no definitive statement on the future of the TVTA until the Federal-Provincial Conference of October, 1966.

At that Conference the Federal Government announced the end of the TVTA Act, declared its intention to support post-secondary education in general, and defined a role for itself as a purchaser of technical and vocational training for adults in the interest of maintaining a technologically skilled labour force. Provincial reaction was one of surprise at the government's unilateral decisions. The initial federal proposals for ending the TVTA Act were condemned by the provinces, particularly Ontario, as financially inadequate. A major point made by the provinces was that they had been given insufficient lead time and that commitments had been made on the basis that the program would not be dropped at this late stage. Substantial amendments to suggested phase-out arrangements were made by the Federal Government two days after the original proposals. New-phase out plans proposed by the central authority and accepted by the provinces laid the basis for combined Federal-Provincial expenditures under the Act which would total \$2.6 billion after all claims had been met. Of this total, federal commitments were \$1.6 billion (approximately) against projected provincial expenditures of \$1.0 billion. While neither time nor quota limits had been set for the phase-out agreements as made at the 1966 conference, the Federal Government later unilaterally imposed quotas on provincial claims.

There was evidence to indicate that internal dissension

was present in certain areas of the civil service over the ending of the Act. Those who supported the continuation of the TVTA style of federal shared-cost support to technical and vocational training were gradually isolated from power while those well disposed to the new concepts as espoused in the 1966 Conference assumed positions of authority.

In contemplating the Act in retrospect interviewees were virtually unanimous in agreeing that provincial priorities had been altered by the TVTA Act. Agreement was also general that had the federal funds been available for "education" in a gross or global sense, technical and vocational training would not have received the emphasis it did under the Act. Finally, the significance of the legislation was regarded in broad terms as the precursor to a fundamental change in the attitude of Canadians as to what constituted "education". The TVTA Act, so ran the arguments, had helped to lead the nation away from a pre-occupation with the academic as properly constituting education. Never again, so went the claim, would Canadians accept such a limited definition. Technical and vocational training had emerged during the course of the TVTA Act as both an integral and worthy part of Canadian education.

Conclusions: Chapter VII. While it may have been in the immediate political self-interest of provincial officials to fail to give due public credit to the Federal Government for the fruits of the TVTA Act, in the long run

such neglect helped to "kill the goose".⁵ Further, there were a number of features of the legislation which contributed to the failure of the TVTA Act to meet federal expectations and to engender both provincial and federal displeasure with shared-cost programs. Among these factors were: (1) the "smorgasbord" nature of the Act; (2) no quota provisions; (3) no equalization formula; and (4) "built-in" dilution of decision making. The wide range of programs available for sampling by the provinces was perhaps commendable in offering a "totality" to technical and vocational training programs. However, this feature in combination with a no quota provisions for most of the programs permitted the provinces to concentrate upon those particulars of the legislation which were of greater provincial rather than federal priority. Thus by 1963 the Federal Government was forced to make additional concessions to unemployment training -- its main interest -- as to virtually support this area in its entirety⁶ while continuing

⁵In regard to "political credit" it is of interest to note that Ottawa has recently demanded full recognition in Quebec for its part in the financing of the institutions yet to be built with the remainder of that province's TVTA quota. The Trudeau government's concern was reported in the news media as attempting to publicize the part the Federal Government plays in the affairs of Quebec.

⁶It may be recalled that the 1963 amendments provided that the Federal Government contribute 75 per cent of the cost of facilities and operating expenses for training the unemployed and 90 per cent of training allowances.

to contribute the greater portion of its TVTA funds toward provincial facilities for youth training. While undoubtedly the Federal Government could tolerate within certain bounds the furtherance of provincial priorities to the neglect of federal needs, expenditures of the magnitude of the TVTA Act called for a reasonable return on the central government's investment. The very success of those provisions of the program which helped to induce massive provincial response were thus factors which militated against the continuation of the legislation. In addition, without any means within the Act to vary federal contributions in regard to provincial fiscal ability, the "rich get richer" inequities of open-ended shared-cost schemes began to emerge. Further, the fact that in provinces such as Alberta and Ontario certain local school boards in effect decided to a considerable degree the extent of provincial and federal contributions meant that decision-making powers at both levels of government were diluted. Where expenditures were of some magnitude this was not an aspect which could long be tolerated. Displeasure with shared-cost programs was a natural concomitant of such a situation.

Nevertheless, despite what would seem to be obvious indications by 1966 that the demise of the TVTA Act was imminent, it must be concluded that the end of the legislation in total, as opposed to its continuation in a modified form, did come as a genuine surprise to the provinces. This

reaction was due to factors which included the: (1) sheer inertia of thirty years of continuous federal involvement in shared-cost programs in technical and vocational education; (2) readiness of the provinces to listen to those voices at Ottawa which favoured the continuation of the scheme rather than recognize that a new era had arrived; and (3) the lack of a Federal-Provincial dialogue prior to the declaration at the October conference of the federal position.

The nature and size (over half a billion dollars) of the revised phase-out proposals of the Act in effect continued the main aspect of the legislation (the Capital Expenditures Program) for an indefinite length of time for eight out of the ten provinces. By March 31, 1969, Alberta and Ontario had claimed virtually all of their TVTA funds while all other provinces had one-third or more of their capital allotment yet to claim. While both Ontario and Alberta had the advantage of the use of their TVTA facilities sooner than the other provinces and probably suffered less inflationary loss on building projects, the remaining eight provinces now have more time to plan the most effective use of their funds. Also, with the disappearance from Ottawa of the technical training "educators" from the old Training Branch, there is the distinct possibility that the provinces will be subject to less accountability from Ottawa as to the specific educational nature of their TVTA

projects.⁷

Finally, the unanimity of agreement among those interviewed as to the effect of the Act strongly supported the general argument that provincial priorities were altered through the medium of the TVTA Act and that technical and vocational education in Canada received an emphasis which would never have been the case had a similar amount of funds been available as a non-specific, conditional grant to the general category of "education". This point and the final major finding of Chapter VII that there was a general accord among those interviewed that the Act had helped to bring a different perspective to the Canadian educational scene are both noted further in the general observations and conclusions of the section which follows.

III. GENERAL OBSERVATIONS -- CONCLUSIONS -- RECOMMENDATIONS

Two main themes have dominated this historical survey and documentary analysis: (1) federal decision-making in an area -- education -- in which the provinces enjoy constitutional prerogatives; and (2) the use of shared-cost, conditional grants in the Canadian federal system. A number of general observations, conclusions, and recommendations,

⁷This pattern is reminiscent of the long phase-out arrangements of the 1919 Technical Education Act which saw the range of "approved projects" broadened.

arising from the material presented to this point, follows.

General Observations and Conclusions

Meranto's model for the analysis of legislative change proved a useful instrument in the examination of those factors surrounding or closely related to the development of the TVTA Act. The Canadian Act, like the legislation in the United States which provided federal aid to education in 1965, came into existence for many reasons rather than as the result of any single major event. However, there was an essential difference between the "legislative change" in the United States as opposed to that in Canada. While the legislation passed in the United States Congress was regarded as a major change at its inception, the change in federal technical training involvement as a result of passing the TVTA Act became a "major event" in retrospect. As has been seen, a variety of unanticipated consequences realized during the course of the TVTA Act led to expenditures not envisaged in parliament at the passage of the bill. Certain features of the legislation (open-endedness, broad range of program choice) acted as a catalyst to substantial provincial response and led to levels of expenditures which had not been foreseen by anyone. The response was undoubtedly desirable in meeting short term "prime the pump" demands for stimulation of a sluggish economy. However, these features of the Act permitted lower levels of government in

large measure to assign priorities in spending and to determine the total level of federal investment in vocational and technical training. It is clear from the circumstances surrounding the demise of the TVTA Act that the collective decisions of the provinces and local school government did not meet federal expectations for the legislation. This was particularly the case by the mid-1960's when the unemployment situation had eased and inflationary pressures were becoming a matter of some concern. Thus as an instrument to achieve national intent in technical and vocational training of manpower, the TVTA Act was seen by the Liberals as largely inadequate. While in part this was due to a different set of expectations which the Liberals held for the Act as opposed to the Conservatives, the inadequacy of the legislation was also a function of its design.⁸

In addition to having features which served to limit federal decision-making in areas which might properly be allotted to the central government, an observation arising from the study is that certain other features of the Act tended to adversely influence the quality of decisions made by lower levels of government regarding matters properly their concern. In particular, the 75-25 cost-sharing basis

⁸It should be clearly understood that this is an assessment of the legislation as federal instrument to achieve federal purposes. Neither the adequacy of the Act in developing technical education in Canada nor the capability of those associated with the legislation are at question here.

for expenditures on facilities in effect for the first two years of the Act was hardly conducive to careful local planning. In addition the requirement that, in order to receive federal funds for operating expenses, programs must consist of 50 per cent vocational courses or related subjects made for curriculum decisions which were both hasty (in order to secure the funds) and circumscribed. A further observation is that it is also questionable as to whether the extent of the operating expenses of secondary vocational facilities was taken into full account by local authorities. While the subject requires further investigation it is suggested that given the demand for high school places and the concurrent availability of TVTA funds it is doubtful if the many questions and implications raised by the Act were in general given more than superficial examination at both the provincial and the local level.

In regard to the use of conditional grants within a federation, certain of Breton's basic arguments (Chapter II) were upheld. It was apparent that prior to the TVTA Act the provinces had not met national needs in regard to technical and vocational training. Also, despite the long run consequences, the provinces opted to meet their immediate needs rather than satisfy the federal concern for training the unemployed. The fact that the TVTA Act had serious deficiencies does not in itself deny Breton's contention that conditional grant programs can be used by a

higher level of government to ensure that a lower jurisdiction will purchase an optimal amount of those goods with "spill-over" effects. If it may be granted that technical and vocational training is a good with "spill-over" effects, the question obtains, "How can the Canadian Federal Government ensure that the labour force receives that level of training necessary to an industrial society?"⁹

A number of alternatives are presented here for consideration.

- (1) Provincial assumption of all responsibility for technical and vocational training. Federal tax abatements used to finance those programs previously carried by the central government.
- (2) Federal reliance upon "tightened-up" conditional grant programs to stimulate provincial governments to meet national needs in technical and vocational training.
- (3) Arrogation by the Federal Government of the responsibility to determine and to meet adult training and retraining needs. All other technical and vocational training to be assumed by the provinces.
- (4) Composite, ad hoc measures to effect federal ends. This would include the assumption and release of responsibilities plus the use of defices such as conditional grants.

On the basis of the data obtained in this study it is evident that the first alternative -- provincial assumption of responsibility for technical and vocational training -- would result in inadequate levels of such

⁹It is apparent, of course, that the question raises the whole issue of "Canadian Federalism".

training.¹⁰ Human capabilities are now so vital a national resource that to deny the central authority a measure of responsibility for their effective development and use is to reflect an entirely different concept of the role of the central government than envisaged for Canada in 1867. The sole use of conditional grants "tightened-up" (precise goals, definite quotas) to avoid the deficiencies of the TVTA Act, on the other hand would appear to reflect a limited appreciation of the realities of current Canadian federalism. The bias against conditional grants present in various federal and provincial circles cannot be ignored. A temporary suspension of the use of this type of stimulation grant may be necessary pending more favorable circumstances for their use. The arrogation or, in more neutral terms, the delimitation of specific areas of federal responsibilities in manpower training describes in effect what has been attempted under the provisions of the Adult Occupational Training Act. The attempt to array responsibilities in some orderly fashion has an administrative appeal. However, it is unrealistic to expect that the continuing problem of a federation -- attempting to establish a congruence between division of responsibilities and division of resources -- will permit any "final solution". Shifting circumstances militate against a

¹⁰ This assumes a federation as presently constituted.

permanent division of responsibilities.¹¹

The fourth alternative, a "composite" approach to federal participation in technical and vocational training, conjures up the spectacle of the Federal Government assuming and then dropping responsibilities, starting and stopping programs, offering and then retracting assistance. Despite the obvious lack of predictability and the absence of an administrative "orderliness" inherent in this alternative, it would appear that this type of approach is descriptive of past federal performance in technical and vocational training and is a realistic appraisal of what is likely to continue in the future. The only "permanent" feature which can be envisaged is the continued presence of the Federal Government in various aspects of manpower development, training, and retraining as long as the Canadian federation itself endures.

Recommendations

While granting the inevitability of continued federal oscillations in support of technical and vocational training, a recommendation of a general nature is that efforts be made to dampen the extremes associated with such involvement. A main requirement in this regard is the

¹¹The logical extension of this argument is that federal constitutions are themselves a subject of continuing debate and that a "new constitution" is no guarantee of a "permanent solution".

establishment of a continuing Federal-Provincial dialogue concerning training.¹² This feature was conspicuously absent in the development of the TVTA Act. Further, because federal activities in training or in certain other areas such as "Regional Economic Expansion", must inevitably affect the pervasive domain of "education", there is a necessity at the federal level to maintain a degree of expertise in that general area. It is reasonable to expect that the implications federal activities may have for education should be assessed at the planning stage in Ottawa. In addition, meaningful Federal-Provincial dialogue on matters which affect education require certain common channels of communication. The presence of an "educational authority" in company with a federal econometrician would appear to provide greater common ground for interaction with provincial counterparts than the federal economic expert alone.

The main task for Ottawa would appear to be the continuing assessment of manpower training needs and thence the development of means, either through or in addition to provincial responses, to meet those needs. In regard to the prospective use of shared-cost conditional grant programs to encourage provincial governments to provide

¹²"Dialogue" as used here implies effective interchange at the ministerial and/or deputy-ministerial level and not the superficial "advisory committee" structure.

technical and vocational training "goods" at a level deemed sufficient to satisfy national needs, certain specific recommendations follow.

A basic recommendation is that despite previous shortcomings, shared-cost, conditional grant programs should be considered for use in the future as one of a number of federal means to effect federal ends. The reason for this recommendation is that in the view of the writer, conditional grant programs (used correctly) are in accord with Alexis de Tocqueville's assertion that a great continental country can be governed from the centre but not administered from the centre. Full central control of an activity such as "adult training and retraining" in a diverse country such as Canada may well suffer from an insensitivity to local needs and a lack of appreciation of local competence. Tax abatements to allow subordinate governments the resources to achieve national objectives presumes a local concern for national goals which is unwarranted. Ideally, a conditional grant program should reflect the central government's concept of what is needed by way of national requirements; then, having established the level of resources deemed necessary to meet that need and stimulated subordinate government participation, local administrative decisions should be permitted to remain at the local level. Of course "ideal type" programs are not the substance of reality. Nevertheless, certain improvements could be made which would

eliminate the type of defects which characterized the TVTA Act. An essential change required is the development of a formula which would allow provisions to be made for provincial variation in both training needs and in ability to pay. It follows from this requirement that the 15 - 19 year old population -- or whatever criterion is used -- of a rich province such as British Columbia would not receive the same degree of federal assistance as may be required by the same age group in Newfoundland where needs may be more and financial ability less. Other obvious features to be incorporated in future shared-cost programs would include provisions such as precise goals and financial quotas to ensure that the total level of federal expenditures remains a federal decision. Further, the use of such programs indirectly as a "prime-the-pump" measure or in any way other than for the purpose(s) defined in the legislation itself is to invite deficiencies in its execution.

Finally, it is suggested that in any future use of shared-cost programs attempts should be made to eliminate certain defects which have characterized the execution of such Acts in technical and vocational education. Reference here is to: (1) failure to apply financial penalty clauses; and (2) relaxation of federal conditions as the program draws to a close. Penalty clauses in the past usually worked against the poorer provinces who could reasonably be excused the required participation because of

financial constraints. A variable shared-cost formula, as recommended for future programs, should in large measure eliminate this argument. An additional reason for the collapse of penalty clauses was the reluctance of the central government to incur political invective. Required here is a federal stance which does not equate leadership with popularity.

Recommendations for future studies. The most significant feature of the Act, as judged by a majority of those interviewed in this study, was that the TVTA legislation served to broaden the concept of education in Canada to include technical and vocational training as a legitimate and respected part of the whole. A question which arises is whether this attitude simply reflects an appraisal of the undeniably first class facilities which were created as a consequence of the Act, or is an assessment of the training programs which were developed. What is needed, it is suggested, is a study of the use of the facilities which were developed under the TVTA Act and an assessment of their appropriateness and adequacy in meeting the needs of the individuals, communities, and province serviced.

One of the observations made in this study is that the Federal Government can be expected to continue to exert an influence on those aspects of education which have "spill-over" effects and are not supported to an "optimal level" by subordinate jurisdictions. From both the federal

and the provincial viewpoint, a requirement exists for a series of studies to identify areas of potential federal involvement and to suggest alternative measures of approach prior to a crisis situation dictating action which in retrospect may appear to be hasty and ill-conceived.

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A P P E N D I X A

DESIGNATION BY SENIOR PERSONNEL OF INDIVIDUALS
TO INTERVIEW: AN EXAMPLE



ONTARIO
DEPARTMENT OF EDUCATION

May 23, 1969

Dear Mr. Bryce:

This will acknowledge your request for an interview concerning the Ontario point of view on the T. V. T.A. Act 1961-67. The Honourable William G. Davis, Minister of Education has also indicated that his schedule for the first week of June makes it impossible for him to see you at that time and has asked me to arrange an interview for you with the officials who have been directly concerned with the administration of this Act in so far as Ontario was concerned.

Mr. N. A. Sisco, Director of the Applied Arts and Technology Branch, and his staff are more familiar with the details than I am. I understand that Mr. Sisco will be available on June 3rd to discuss this topic with you. I believe that it would be to your advantage to concentrate your time with Mr. Sisco and his staff rather to have me cover the same ground with you. I trust that this will be satisfactory to you.

A P P E N D I X B

ESSENTIAL INTERVIEWS

A total of 30 formal interviews were conducted in the study. In addition, a number of discussions of a more informal nature were held with a variety of individuals. Certain of these "discussions", particularly those held at Ottawa, led to the seeking out of publications or the asking of specific questions which otherwise might have been overlooked. In the interest of preserving the anonymity promised to certain participants the list of all those formally interviewed will not be published.

Essential interviews. The names of potential interviewees were obtained from the following sources: (1) documents pertaining to the TVTA Act; (2) correspondence with various federal and provincial officials; (3) preliminary interviews with provincial officials from diverse parts of Canada; and (4) interviews with personnel designated by the previous three sources. Cross-checking of the various names led to the compilation of a final list of federal persons deemed essential to interview. The list was as follows:

<u>Name</u> (Alphabetical Order)	<u>Position</u>
Diefenbaker, Rt. Hon. J.G.	Member of Parliament (Former Prime Minister of Canada)
Ford, Dr. C.R.	Director (Retired): Canadian Vocational Training Branch
Haythorne, Dr. G.V.	Commissioner: Prices and Incomes Commission (Former Deputy Minister, Department of Labour)
Kent, T.	Deputy Minister: Department of Regional Economic Expansion
Page, Dr. G.T.	Director: Management and Consulting Services, Department of Regional Expansion. (Former Chairman of the National Technical Training Advisory Council)

Starr, M.

Former Minister of Labour,
Government of Canada

In the course of two trips to Ottawa and as a result of the kind cooperation of the individuals concerned, it was possible to interview each person listed here. In addition to these "essential interviews" a list of individuals considered of importance to interview was prepared. All but two of the individuals on this list were seen in person. The exceptions were Dr. J.P. Francis, a former director of the Economics and Research Branch of the Department of Labour and Mr. Arthur Tremblay, former Deputy Minister of Education in the province of Quebec. In each instance substitute interviews were obtained with persons designated by the principals concerned.

A P P E N D I X C

THE INTERVIEW FORMAT

THE COMMON CORE OF QUESTIONS

Interview Format

Note: This format indicates the general intent and phrasing of the core questions used in the interviews. Actual phrasing varied to some extent with each individual interview. In some instances certain questions were deleted and/or others added as appropriate.

Part A. Initiation of the Act.

In your view, Mr. _____, why was the TVTA Act initiated by the Federal Government?

Could you list these reasons in order of importance?

Did any province, any group or groups, or any individual play a prominent role in influencing the government to introduce the legislation?

Could you describe the role played?

When did (you) (your department) first become aware that a new federal Act concerning Technical and Vocational Education was "in the wind"?

Would you please describe these circumstances?

What sort of pre-planning preceded the federal action?

Specifically, what sort of surveys, studies, estimates, or requests for information from the provinces were made by the federal authorities prior to the passage of the Act?

In your view, did the Federal Government have specific objectives for the Act? What were they?

Part B. The Act in Execution

Would you please describe the nature of the relations which developed between Ottawa and the provinces in the course of the execution of the TVTA Act. Who were the principal figures in this relationship?

Did any new structures develop? If so, what were they?

Was there any feeling that Ottawa was dictating to the province(s) or encroaching upon provincial rights? Could you give specific instances? Was Ottawa aware of provincial reactions?

During the course of the legislation a number of changes were made in the Act, particularly in regard to the imposition of ceilings and quotas. Could you describe what these were and how they came about? Who was instrumental in these changes?

Provincial Interns: Did your province have any specific objectives or ceilings in regard to total expenditures under the Act? Student places to be developed? The place of technical and vocational education in the provincial system?

What sort of relations developed between the provincial authorities and the local school government? Did the province encourage local boards to make use of the federal funds?

Was any attempt made on the part of the province(s) to amend the Act? If so, in what way? With what result(s).

Part C. The Act in Retrospect

When did you become aware that the Act was to end?

Under what circumstances was it brought to a close? What person, persons, or groups were responsible for or closely associated with the demise of the Act? Was it your feeling that the Act would be continued? Were the provinces left "holding the bag?"

Would you please indicate, in general terms, what you thought was accomplished by the Act?

Suppose the TVTA funds had been made available to the provinces on a shared-cost basis for "education" in a general sense, would technical and vocational education have received the emphasis it did under the Act?

May I ask your views in regard to the use of conditional grants and shared cost programs by the Federal Government in such areas as technical education? Do you see any future involvement of the Federal Government in shared-cost programs in education?

It would be most helpful if you could name those individuals whom you think it would be profitable for me to see in connection with the questions I have asked here.

Final General Question

Looking back on the TVTA Legislation, what would you consider to be the most significant result of the Act?

A P P E N D I X D

SAMPLE: CORRESPONDENCE CONCERNING THE HANDLING
 OF INTERVIEW DATA



Prices and incomes commission

Commission des prix et des revenus

P.O. Box 219,
Ottawa 2, Ontario,
December 10, 1969.

Mr. R. Bryce,
Faculty of Education,
Department of Educational Administration,
The University of Alberta,
Edmonton, Alberta.

Dear Mr. Bryce:

I have now completed the changes I felt were needed in the transcript of our interview during the summer and have had the material retyped.

Should you have any questions about any of the changes or further points you would like to raise regarding the matters we discussed, do not hesitate to let me know.

Dates I was not certain about earlier have been checked and doubts concerning other factual matters have now been removed. You will notice too I have deleted altogether some of the more personal observations made.

Unless there are some of the non-personal parts you would particularly like to retain, I would suggest you now destroy the whole tape and the original transcription. I shall do the same with the copy you sent to me.

Best wishes with your thesis.

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